

present sitting of the Council. He said :—“ This is the usual practice in connection with Tariff measures and is obviously necessary. The intention is that the enhanced duty should come into force at once.”

His Excellency THE PRESIDENT declared the Rules suspended.

The Hon'ble MR. BAKER moved that the Bill be passed.

The motion was put and agreed to.

The Council adjourned to Friday, the 17th January, 1908.

J. M. MACPHERSON,

*Secretary to the Government of India,  
Legislative Department.*

CALCUTTA:

*The 3rd January, 1908.*      }



# The Gazette of India.

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CALCUTTA, SATURDAY, JANUARY 18, 1908.

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## PART VI.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS  
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS,  
1861 AND 1892 (24 & 25 VICT., C. 67,  
AND 55 & 56 VICT., C. 14).

The Council met at Government House, Calcutta, on Friday, the 17th January, 1908.

### PRESENT :

His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.  
The Hon'ble Mr. H. Erle Richards, K.C.  
The Hon'ble Mr. E. N. Baker, C.S.I.  
The Hon'ble Major-General C. H. Scott, C.B., R.A.  
The Hon'ble Sir Harvey Adamson, Kt., C.S.I.  
The Hon'ble Mr. J. F. Finlay, C.S.I.  
The Hon'ble Mr. J. O. Miller, C.S.I.  
The Hon'ble Sir Rameshwara Singh, K.C.I.E., Maharaja Bahadur of Darbhanga.  
The Hon'ble Munshi Madho Lal.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. H. W. W. Reynolds.  
The Hon'ble Mr. F. A. Slacke, C.S.I.  
The Hon'ble Mr. H. A. Sim, C.I.E.  
The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.

The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.  
 The Hon'ble Mr. Gopal Krishna Gokhale, C.I.E.  
 The Hon'ble Mr. A. A. Apcar, C.S.I.  
 The Hon'ble Mr. S. Ismay, C.S.I.  
 The Hon'ble Maung Bah Too, K.S.M.  
 The Hon'ble Mr. W. W. Drew.  
 The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.  
 The Hon'ble Mr. W. R. H. Merk, C.S.I.

#### CORONERS (AMENDMENT) BILL.

The Hon'ble SIR HARVEY ADAMSON moved that the Bill further to amend the Coroners Act, 1871, and the Prisoners Act, 1900, be referred to a Select Committee consisting of the Hon'ble Mr. Richards, the Hon'ble Mr. Gokhale, the Hon'ble Mr. Apcar, the Hon'ble Mr. Drew and the mover.

The motion was put and agreed to.

#### CODE OF CIVIL PROCEDURE BILL.

The Hon'ble MR. RICHARDS moved that the Bill to consolidate and amend the law relating to the Procedure of the Courts of Civil Judicature be referred to a Select Committee consisting of the Hon'ble Munshi Madho Lal, the Hon'ble Mr. Sim, the Hon'ble Dr. Rashbehary Ghose, the Hon'ble Mr. Ismay, the Hon'ble Maung Bah Too and the mover.

The motion was put and agreed to.

#### INDIAN TRUSTS (AMENDMENT) BILL.

The Hon'ble SIR HARVEY ADAMSON moved that the Bill further to amend the law relating to Private Trusts and Trustees be taken into consideration.

The motion was put and agreed to.

The Hon'ble SIR HARVEY ADAMSON moved that the Bill be passed.

The motion was put and agreed to.

The Council adjourned to Friday, the 31st January, 1908.

J. M. MACPHERSON,

*Secretary to the Government of India,  
Legislative Department.*

CALCUTTA;

*The 17th January, 1908.*



# The Gazette of India

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CALCUTTA. SATURDAY, FEBRUARY 1, 1908.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## PART VI.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations.

### GOVERNMENT OF INDIA. LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
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UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS,  
1861 AND 1892 (24 & 25 VICT., C. 67,  
AND 55 & 56 VICT., C. 14).

The Council met at Government House, Calcutta, on Friday, the 31st January, 1908.

#### PRESENT:

His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Honour Sir Andrew Fraser, K.C.S.I., Lieutenant-Governor of Bengal.  
His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.  
The Hon'ble Mr. H. Erle Richards, K.C.  
The Hon'ble Mr. E. N. Baker, C.S.I.  
The Hon'ble Sir Harvey Adamson, Kt., C.S.I.  
The Hon'ble Mr. J. F. Finlay, C.S.I.  
The Hon'ble Mr. J. O. Miller, C.S.I.  
The Hon'ble Sir Rameshwara Singh, K.C.I.E., Maharaja Bahadur of Darbhanga.  
The Hon'ble Munshi Madho Lal.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. H. W. W. Reynolds.  
The Hon'ble Mr. F. A. Slacke, C.S.I.  
The Hon'ble Mr. H. A. Sim, C.I.E.  
The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.  
The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.  
The Hon'ble Mr. Gopal Krishna Gokhale, C.I.E.  
The Hon'ble Mr. A. A. Apcar, C.S.I.  
The Hon'ble Mr. S. Ismay, C.S.I.

The Hon'ble Maung Bah Too, K.S.M.  
 The Hon'ble Mr. W. W. Drew.  
 The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.  
 The Hon'ble Mr. W. R. H. Merk, C.S.I.

### QUESTION AND ANSWER.

The Hon'ble MR. GOKHALE asked :—

“(a) Has the Government of India received a telegram from the Indian settlers in the Transvaal, seeking its protection and asking for its intervention in their favour against the injustice and indignities to which they are being subjected under the Asiatic Registration Act in the Transvaal ?

“(b) Is the Government aware of the depth and intensity of public feeling that has been aroused in this country in all quarters by the arrest and imprisonment of several Indian subjects of His Majesty the King Emperor in the Transvaal under the Asiatic Registration Act ?

“(c) Will the Government be pleased to state what steps it has already taken or it proposes to take to bring this state of public feeling in India to the notice of His Majesty's Government in England and to secure for the Indian settlers in the Transvaal the protection that they seek at its hands ?”

The Hon'ble MR. FINLAY replied :—

“(a) The Government of India have not received any telegram from the Indian settlers in the Transvaal. But they have received papers from the Secretary of State which include a telegram from British Indians in the Transvaal to the Secretary of State for the Colonies to the effect stated in the question. They have also received numerous representations from persons and bodies in other parts of South Africa and in India.

“(b) The Government of India are fully aware of the depth and intensity of public feeling which has been aroused in India and are grateful to the various bodies and individuals, representing so many classes and creeds in this country, who have taken so much trouble to keep them informed of the views taken of the legislation affecting Asiatics in the Transvaal.

“(c) The matter has received throughout the careful consideration of the Government of India. They are in full sympathy with the Indian subjects of His Majesty in whatever part of the world they may be, and though they are obviously not in a position to pronounce authoritatively on the merits of the situation in the Transvaal they have let no opportunity pass of keeping His Majesty's Government informed of the state of feeling in India with regard to that situation and of pleading the cause of the different sections of the Indian community in South Africa whenever it appeared that the status and privileges of Indian emigrants as subjects of the British Empire were affected.

“The Government of India have good reason to hope that negotiations now in progress will result in the removal of the just grievances of His Majesty's Indian subjects.”

### CORONERS (AMENDMENT) BILL.

The Hon'ble SIR HARVEY ADAMSON presented the Report of the Select Committee on the Bill further to amend the Coroners Act, 1871, and the Prisoners Act, 1900.

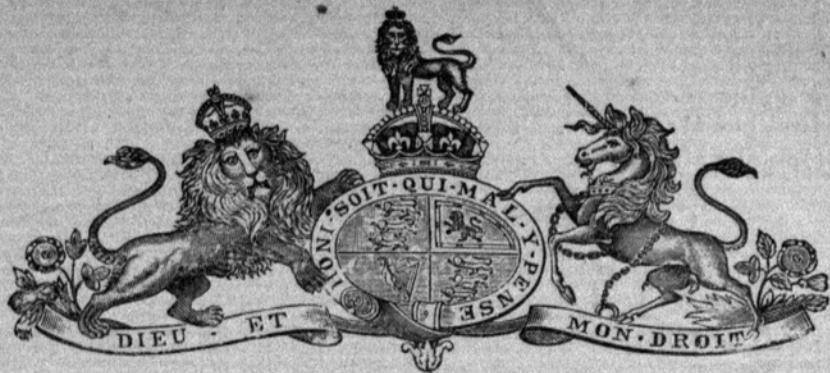
The Council adjourned to Friday, the 14th February, 1908.

J. M. MACPHERSON,

*Secretary to the Government of India,  
Legislative Department.*

CALCUTTA ;

*The 31st January, 1908.*



# The Gazette of India.

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CALCUTTA, SATURDAY, FEBRUARY 15, 1908.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## PART VI.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations.

GOVERNMENT OF INDIA.  
LEGISLATIVE DEPARTMENT

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS  
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS,  
1861 AND 1892 (24 & 25 VICT., C. 67,  
AND 55 & 56 VICT., C. 14).

The Council met at Government House, Calcutta, on Friday, the 14th February,  
1908.

### PRESENT :

His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Honour Sir Andrew Fraser, K.C.S.I., Lieutenant-Governor of Bengal.  
His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.  
The Hon'ble Mr. H. Erle Richards, K.C.  
The Hon'ble Mr. E. N. Baker, C.S.I.  
The Hon'ble Major-General C. H. Scott, C.B., R.A.  
The Hon'ble Sir Harvey Adamson, Kt., C.S.I.  
The Hon'ble Mr. J. O. Miller, C.S.I.  
The Hon'ble Munshi Madho Lal.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. H. W. W. Reynolds.  
The Hon'ble Mr. F. A. Slacke, C.S.I.  
The Hon'ble Mr. H. A. Sim, C.I.E.

The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.  
 The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.  
 The Hon'ble Mr. A. A. Apcar, C.S.I.  
 The Hon'ble Mr. S. Ismay, C.S.I.  
 The Hon'ble Maung Bah Too, K.S.M.  
 The Hon'ble Mr. W. W. Drew.  
 The Hon'ble Mr. W. R. H. Merk, C.S.I.

#### CORONERS (AMENDMENT) BILL.

The Hon'ble SIR HARVEY ADAMSON moved that the Report of the Select Committee on the Bill further to amend the Coroners Act, 1871, and the Prisoners Act, 1900, be taken into consideration.

The motion was put and agreed to.

The Hon'ble SIR HARVEY ADAMSON moved that the Bill, as amended, be passed.

The motion was put and agreed to.

#### CODE OF CIVIL PROCEDURE BILL.

The Hon'ble MR. ERLE RICHARDS:—"My Lord, I have the honour to present the Report of the Select Committee on the Bill to consolidate and amend the laws relating to the procedure of the Courts of Civil Judicature and annexed to it a copy of the Bill in which the amendments suggested by the Committee are shown in italicised type.

"It will be seen from these papers that the Committee recommend no alterations of a radical kind in the Bill as settled by the Committee which sat at Simla during the past summer. There are a number of amendments of detail suggested which taken together effect a substantial improvement; but the main lines of the Bill have been accepted.

"The principal feature of novelty in the Bill as introduced is the rearrangement of the clauses and the relegation of minor provisions to a schedule which can be amended or added to by High Courts subject to the advice of Rule Committees. This proposal has met with general acceptance. Local Governments and High Courts are at one in thinking that it will effect a valuable improvement in the machinery of our civil procedure, and the Committee agree with them.

"Two amendments have been introduced in that part of the Bill which deals with the rule-making power. The first is the insertion of a proviso that rules before being made are to be published, with the result that under section 23 of the General Clauses Act there will be an opportunity for the public to criticise any proposals before they become law. This suggestion was put forward by the British Indian Association, and the Committee think that it is one of value. The second change is in the composition of the Rule Committees. It has been pointed out that the Rule Committees ought to have among their members some gentlemen in touch with mufassal practice. The Bill as introduced provided that one of the Judges on the Committee should have had mufassal experience, but the Committee think that this in itself is hardly sufficient. They suggest therefore that there should be a Subordinate Judge on each Rule Committee and that there should be power also to appoint a vakil or pleader practising in the mufassal. They further recommend that the Bill should not come into operation at once on passing but that there should be an interval allowed in order that the public and profession may make themselves acquainted with the new arrangement.

"The amendments of the other provisions of the Bill do not call for any special mention on the present occasion. Many of them are in the nature of

corrections or improvements of drafting. Since the Bill was introduced in this Council it has been once more examined and revised by some of our Colleagues and the criticisms on it have been carefully considered and digested in the Legislative Department. In that way the work of the Committee has been much lessened. This is the fourth Committee which has now deliberated on civil procedure, and it is safe to say that there is no conceivable point which has not been fully discussed during those deliberations. I would point out, my Lord, that the present Committee, like the Simla Committee, are unanimous in their approval of this Bill."

#### INDIAN LIMITATION BILL.

The Hon'ble Mr. ERLE RICHARDS moved that the Bill to consolidate and amend the Law for the Limitation of Suits and for other purposes be referred to a Select Committee consisting of the Hon'ble Sir Harvey Adamson, the Hon'ble Munshi Madho Lal, the Hon'ble Mr. Chitnavis, the Hon'ble Dr. Rashbehary Ghose, the Hon'ble Mr. Ismay and the mover, with instructions to report within two months.

The motion was put and agreed to.

The Council adjourned to Friday, the 6th March, 1908.

J. M. MACPHERSON,

*Secretary to the Government of India,  
Legislative Department.*

CALCUTTA;  
*The 14th February, 1908.*



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## PART VI.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations.

### GOVERNMENT OF INDIA. LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS  
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS,  
1861 AND 1892 (24 & 25 VICT., C. 67,  
AND 55 & 56 VICT., C. 14).

The Council met at Government House, Calcutta, on Friday, the 13th March, 1908.

#### PRESENT :

His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, presiding.  
His Honour Sir Andrew Fraser, K.C.S.I., Lieutenant-Governor of Bengal.  
His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.  
The Hon'ble Mr. H. Erle Richards, K.C.  
The Hon'ble Mr. E. N. Baker, C.S.I.  
The Hon'ble Major-General C. H. Scott, C.B., R.A.  
The Hon'ble Sir Harvey Adamson, Kt., C.S.I.  
The Hon'ble Mr. J. O. Miller, C.S.I.  
The Hon'ble Mr. W. L. Harvey, C.I.E.  
The Hon'ble Munshi Madho Lal.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. H. W. W. Reynolds.  
The Hon'ble Mr. H. A. Sim, C.I.E.  
The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.  
The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.

The Hon'ble Mr. Gopal Krishna Gokhale, C.I.E.  
 The Hon'ble Mr. A. A. Apcar, C.S.I.  
 The Hon'ble Mr. S. Ismay, C.S.I.  
 The Hon'ble Maung Bah Too, K.S.M.  
 The Hon'ble Mr. W. W. Drew.  
 The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.  
 The Hon'ble Mr. W. R. H. Merk, C.S.I.

#### QUESTIONS AND ANSWERS.

The Hon'ble TIKKA SAHIB RIPUDAMAN SINGH of Nabha asked :—

“(a) With reference to my question with regard to the Imperial Service Troops, and reply given to it, by His Excellency the Commander-in-Chief on the 1st February, 1907, will Government be pleased to state what changes have been made in them since last year?

“(b) Will Government be pleased to state if any of the States have increased or reduced their Imperial Service Troops during the last year, and, if so, will it mention the name of the State or States, and also by what proportion they have reduced or increased their Imperial Service Troops?”

His Excellency THE COMMANDER-IN-CHIEF replied :—

“(a) His Highness the Raja of Tehri has raised a company of Imperial Service Sappers. No other change has taken place.

“(b) The Hon'ble Member's question (b) is answered by the reply just given.”

The Hon'ble TIKKA SAHIB RIPUDAMAN SINGH of Nabha asked :—

“With reference to my question asked in the Council on the 1st February, 1907, will Government be pleased to state if, since then, they have received further papers from, or ‘final report’ of, the ‘Plague Research Committee’ and, if so, will Government be pleased to lay all the papers on the Council table?”

The Hon'ble SIR ADAMSON replied :—

“Since February, 1907, the Government of India have received the following papers regarding plague investigations in India :—

- (i) The Journal of Hygiene, Volume 7, No. 3, July, 1907.
- (ii) Major Lamb's Summary of the conclusions of the Plague Commission.
- (iii) The Journal of Hygiene, Volume 7, No. 6, December, 1907.

“No final report of the Plague Research Commission has yet been received, and its labours are not yet concluded. The above-mentioned papers are laid on the table.”

The Hon'ble MR. CHITNAVIS asked :—

“Has the attention of Government been drawn to the Resolutions of the successive provincial Conferences of the Central Provinces, giving expression to the dissatisfaction of the people of those provinces at the present system of annual assessment of the income tax? In view of the general desire of the local public, will the Government be pleased to replace the existing system of assessment by the system of triennial assessments which prevailed in those provinces before?”

The Hon'ble MR. BAKER replied :—

“The Government of India have noticed the Resolutions passed by the 1st and 3rd Provincial Conferences of the Central Provinces. A system of triennial

assessments was formerly in force in the Central Provinces owing to the existence of the pandhri-tax, which was levied on petty traders and manufacturers whose incomes amounted to Rs. 250 a year or more. The large number of assessee made it impracticable for the district staff to cope with the work which would have been entailed by annual assessments. On the abolition of that tax in 1902 it was decided, after a full experience of the operation of triennial assessments, to adopt the system of annual assessments contemplated by section 15 of the Income tax Act of 1886 and prevailing in other areas where that Act is in force. The former practice had the necessary consequence that assessments, owing to the fluctuating nature of many of the incomes assessed, fell unequally on the persons taxed, and the Government of India see no reason to revert to it."

The Hon'ble MR. CHITNAVIS asked :—

"Is it true that an amendment of the Central Provinces Tenancy Act is contemplated by Government? If so, will Government be pleased, in consultation with the Hon'ble the Chief Commissioner of the Central Provinces, to remove the just grievances of the malguzars by amending the provisions relating to *khudkast* lands on the lines suggested in their memorials to the Local Government, as also section 61 of the Act which operates with unusual rigour on tenants in their relations with sub-tenants, as pointed out in the presidential speech delivered at the Jubbulpur Conference, held on 14th April, 1906?"

The Hon'ble MR. MILLER replied :—

"No proposals for the amendment of the Central Provinces Tenancy Act have been received by the Government of India, and it is understood that the Local Administration consider the amendment of the Land-revenue Act a matter of greater urgency. The Government of India have no doubt that when these Acts are amended all suggestions for their improvement will receive the most careful consideration from the Local Administration."

The Hon'ble MR. CHITNAVIS asked :—

"In view of the pronounced desire of the people for a provisional embargo upon exports of food-grains from the country as a remedial measure in times of distress, will Government be pleased to consider if it would be desirable to temper, if only provisionally, its policy in these days of abnormal prices?"

The Hon'ble MR. MILLER replied :—

"The question raised by the Hon'ble Member is one which has been considered by the Government of India on every occasion on which this country has been threatened with serious famine, with all the care which its importance demands, and with full regard to the fact that interference with trade on such occasions would be in accordance with views which are widely and earnestly held by influential classes of the people. Not only has the policy to be followed been carefully considered at the beginning of periods of distress, when popular opinion, and not infrequently official opinion, was in favour of some measure of interference, but it has been impartially examined in the light of facts and of the experience gained during successive famines by the officers or Commissions appointed to report on the lessons to be learned; and there has been no difference of opinion as to what those lessons teach. The conclusion was arrived at in 1873 that 'nothing could justify recourse' to such a measure as the Hon'ble Member suggests 'unless it were a certainty or a reasonable probability that exports of food will so exhaust the resources of India as to render them incapable of affording the supplies which may be required for affected districts,' and all subsequent investigation has confirmed this view,

"During the thirty years which have passed since that time there has been a remarkable development of communications and of trade, and the experience of each successive famine has shown how greatly relief measures have been assisted and suffering has been mitigated by the freedom from restraint which has encouraged private enterprise to take advantage of the facilities offered

to it. Interference would involve disorganisation of trade and discouragement of the agriculturist at the very time when it is essential to the welfare of the country that the producing and the distributing agencies alike should have every stimulus given to their activity. To mention only one result, a policy of placing an embargo on the export of food-grains would encourage that tendency to substitute non-food crops for food crops of which frequent complaint has been made in the vernacular Press, as a contributory cause of the present high prices. Interference with exports might produce at the beginning of a famine an artificial cheapness, but it is by no means certain that even this result would be attained to any material extent, and it is certain that the cheapness would not be permanent. The exports from India amount to but a small proportion of its production, and experience gives no warrant whatever for the supposition that the trade is unable to regulate them to the best advantage of the country. For example, the exports of wheat, which in a good year may be as much as fifteen or twenty million hundred weight, shrank in 1896-97 and 1897-98 to about two millions, while in 1900-01 the export trade practically ceased to exist, only 50,000 hundred weight leaving the country. In the case of rice the fluctuations are not so extraordinary, but they are very great; in a good year exports from the whole of India have been as high as forty-nine million hundred weight, in bad seasons they have fallen to less than thirty millions. The export trade encourages production and creates a reserve which can be drawn upon in time of scarcity—a reserve which, but for that encouragement, would not exist. The failure of the monsoon in India creates a demand for Burma rice at prices with which foreign countries cannot compete. In 1903-04 and 1904-05, when crops were generally good, Burma exported to foreign countries 33 and 38 million hundred weight of rice respectively, while India took only four and six millions. In 1906-07, when there was a demand from India, the exports to foreign countries fell below thirty millions, and the exports from Burma to India rose to sixteen millions; in the present year, judging from ten months' statistics, this feature of the trade will probably be still more marked. The course of the wheat trade in the present year may be referred to as a further illustration. During the early part of the year the trade was brisk, and continued to be so up to October, by which time it was evident that there would be severe scarcity in India. In November the exports were less than half of the average for that month in the three preceding years. In December the proportion was much lower, while in January only sixty thousand hundred weight were exported compared with a three years' average for that month of close on a million and a half.

"The policy which the Hon'ble Member apparently supports does not, it is understood, stop short at interference with exports from India. It extends to placing restrictions on exports from one State or Province or even from one district to another, and recommendations to that effect have been made not only by the public but by officers of Government impressed by the seriousness of the outlook, as for example in 1873, when the Lieutenant-Governor of Bengal suggested the prohibition of the export of rice from that province. In a year like the present, when the deficiency of food supplies in the United Provinces is being met by imports from the surplus stock of Burma on the one side and the Punjab on the other,—the two provinces which contribute by far the largest share to the foreign export trade in rice and wheat respectively—it seems scarcely conceivable that there should be any advocates of a policy that would obstruct the trade to which these beneficial results are due. But experience shows that the demand for the regulation of exports does in fact extend to a demand for the enforcement of local restrictions, and to transferring from the trade to some official agency the responsibility of determining whether the circumstances of the country require the transport of grain from one local area to another. This is a responsibility which no Government would except in the last resort undertake.

"The Hon'ble Member correctly refers to prices as being now abnormally high. Prices are excessively high, and the Government of India are fully conscious of the distress caused by dearness of food and sympathise with the

sufferers. But they have no doubt that the effect of interference with trade would only be to aggravate difficulties that must be faced and they adhere now to the policy which they have consistently adopted in the past in the presence of more serious calamities and at a time when they could not expect from the operations of trade the same measure of assistance in coping with scarcity that they now obtain."

The Hon'ble MR. CHITNAVIS asked :—

"In view of the abnormal and general rise in prices during the past few years, will the Government be pleased to appoint a joint committee of officials and non-officials to inquire into the causes to which such rise is due with a view to the removal of such of them as may be capable of administrative treatment?"

The Hon'ble MR. MILLER replied :—

"The Government of India are well aware of the importance of the subject and have already had under their consideration the question of making enquiry into the causes of the present high range of prices, but have not yet come to any final decision in the matter. Should they decide that enquiry is advisable, they will gladly consider the Hon'ble Member's suggestions as to the appointment of a committee."

The Hon'ble MR. CHITNAVIS asked :—

"In order to relieve the distress of the middle classes, more or less encumbered with a large number of dependants, due to increased cost of living, will the Government be pleased to consider the desirability of further raising the assessable minimum under the Indian Income-tax Act to Rs. 2,000 a year?"

The Hon'ble MR. BAKER replied :—

"The Government of India are not prepared to entertain the suggestion embodied in the Hon'ble Member's question."

#### WHIPPING (AMENDMENT) BILL.

The Hon'ble SIR HARVEY ADAMSON moved for leave to introduce a Bill further to amend the Whipping Act, 1864, and the Code of Criminal Procedure, 1898. He said :—

"In the progress of public opinion the infliction of whipping as a judicial punishment comes to be regarded with ever-increasing disfavour. The object of this Bill is to mitigate the severity of the Whipping Act and to bring it into line with public opinion of the present day. In India the time has not arrived when whipping as a judicial punishment can be altogether dispensed with. Indeed, that stage has not yet been reached in Western countries. In England whipping is still retained as a punishment in the case of adults for certain forms of robbery with violence such as garrotting, and in the case of juveniles for all indictable offences other than homicide. I am far from suggesting that what is suitable for England must necessarily be suitable for India. There could be no greater mistake than to adopt such a principle indiscriminately as a basis for legislation. But human nature is pretty much the same throughout the world, and the efficacy of whipping as a punishment is essentially a question of human nature. What has been done in England may therefore in this case be a useful guide as to what ought to be done in India. In England a hundred years ago whipping was inflicted for many offences. Its use has gradually dwindled down to the proportions which I have stated, without in any way prejudicing the safety of the community. Experience has shown that for most offences which were formerly punished with whipping a less revolting penalty is more efficacious. The history of Indian jails tends to the same conclusion. I can well remember that when I first arrived in India thirty years ago, whipping of a very severe nature was freely resorted to in jails as a punishment for very trivial offences. It is now inflicted as a jail punishment on

rare occasions and only for serious offences. Yet the discipline of Indian jails is much better now than it was thirty years ago. I must not be misunderstood as implying that, as regards the frequency and barbarity of corporal punishment, there is any similitude between India of the present day and England of a hundred years ago. On the contrary, the Whipping Act of 1864, as it now stands, is on the whole a very humane Act. But as years advance public opinion advances, and humane on the whole though the Act may be, we think that the time has now arrived when it should be laid on the legislative anvil with a view to being moulded into what, in the light of Eastern and Western experience, is a closer conformity to the trend of public opinion and the requirements of the present day.

"There is one point, however, in respect of which there is a complete difference between England and India. I refer to the system of imprisonment in jails. In England all short-term sentences are of the nature of solitary confinement. The prisoner is isolated and has no opportunity of associating with his fellow-prisoners. In India, on the contrary, the system is one of association. The prisoner works in a gang and associates day and night with other prisoners. The prisoner in India is thus liable to evil contamination from which in England he is free. That this is a defect in the Indian system of prison administration is generally admitted. But it is a defect that cannot be immediately cured. Much has been done in recent years to provide cellular accommodation in jails, so as to save prisoners from the deteriorating influence of their more hardened fellow-convicts. But this is a work which requires a long time to complete, and the expenditure of an immense amount of money, and the position at present is that in Indian jails the complete segregation of prisoners is impossible. This condition renders it undesirable to proceed to the abolition of whipping as a judicial punishment to the same extent as has been done in England. It is better to whip a casual thief than to submit him to prison associations from which he will probably emerge as a hardened thief.

"It would of course be possible to carry this line of argument too far. It might be contended that for similar reasons it is better to whip all unhardened offenders than to imprison them. Such a course is clearly inadmissible. It would shock the public conscience and for obvious reasons is undesirable. We are convinced that whipping should be restricted to offences of a degrading nature, and that it never should be administered where it is likely to outrage self-respect. We also think that it is an unsuitable punishment for any offence that is not of an active and daring character. For instance, we regard whipping as an appropriate punishment for casual and ordinary theft, but as an inappropriate punishment for receiving stolen property or for the special class of theft which is defined in the Penal Code as theft by a clerk or servant. For these reasons the Bill amends section 2 of the Whipping Act by excluding from whipping the offences of theft by a clerk or servant, extortion by threat, extortion by putting a person in fear of accusation, dishonestly receiving stolen property and dishonestly receiving property acquired in the commission of dacoity.

"We propose to repeal section 3 of the Act which permits whipping as an additional punishment in the case of second convictions of offences which are punishable under section 2 with whipping as a sole alternative penalty. We think that when in cases of this kind the Magistrate has come to the conclusion that the offence calls for a punishment of imprisonment nothing is gained by adding whipping to the sentence. I may observe that the repeal of this section will not prohibit the Magistrate from awarding whipping in lieu of imprisonment on second convictions of offences specified in section 2 as amended. I must admit that the proposed repeal of this section has not been cordially accepted by some Local Governments. It is urged that its repeal will weaken to an undesirable extent the hands of the authorities in the suppression of crimes against property. But it appears to us that this argument could be used against any mitigation of the Whipping Act, and that the history of whipping as a punishment and its influence on crime does not support the contention.

"The next point that I am to mention is one in respect of which I do not anticipate that there will be much difference of opinion. Whipping is a punishment that is peculiarly suited to brutal, cruel and sordid offences involving personal violence. The circumstances of each country must of course determine what crimes of this nature are of such prevalence as to call for this form of punishment. Naturally they will vary in different countries. In England, as I have stated, robbery with violence is the type of crime against which the public require a special protection, and the punishment awardable for crimes of this nature is whipping combined with imprisonment for either first or subsequent offences. In India the most prevalent crimes of a brutal, cruel and sordid nature, against which special protection appears to be desirable, are rape, robbery with hurt, and dacoity. These and these alone we have included in this category. The Bill follows the analogy of English law and permits a combination of whipping with imprisonment whether on first or on subsequent conviction. The provision will be found in clause 3 of the Bill. The substitution of this clause for section 4 of the Act, while giving to society the protection of an enhanced penalty in the case of those brutal and daring crimes, abolishes whipping on second conviction for a large number of offences, of which the chief are false evidence, false charges of offences, assault with intent to outrage modesty, unnatural offences, habitual dealing in stolen property, and forgery.

"In respect of juvenile offenders the Bill alters the present law by mitigating the severity of whipping. It limits the punishment to fifteen stripes instead of thirty, and it enables the Governor General in Council to exclude juveniles from whipping by notification for such offences falling under the Indian Penal Code as he may think fit.

"Finally the Bill restricts the power of whipping to first class Magistrates instead of as at present to first class Magistrates and specially empowered second class Magistrates.

"I need scarcely say that in no case under the Bill is whipping a compulsory punishment. Wherever it may be inflicted, it is optional, at the discretion of the Magistrate.

"I think that public opinion in India regards whipping as a necessary and proper punishment for certain classes of offences, but as an unsuitable punishment for members of the respectable and educated classes. I am not disposed to quarrel with this view. It is but an expression of what I have already said, that whipping should never be inflicted where it is likely to outrage self-respect. But it is impossible to define by law the classes of people who may be whipped. This must be left to the good sense of the Magistracy, supplemented it may be by such general instructions as High Courts may deem fit to issue.

"The net result of the amendments contained in the Bill is that the power of whipping is confined to first class Magistrates, and that in respect of adults whipping is retained as a sole punishment for ordinary thefts and kindred offences of an active and daring character, and as a sole or combined punishment for a very limited number of offences of violence of a brutal and sordid nature, while in respect of juveniles it is retained in a less severe form. I trust that the Bill will be found to conform with public opinion in India, and that its lenity will not render the law less capable of suppressing crime."

The motion was put and agreed to.

The Hon'ble SIR HARVEY ADAMSON introduced the Bill.

The Hon'ble SIR HARVEY ADAMSON moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

## CODE OF CIVIL PROCEDURE BILL.

The Hon'ble Mr. ERLE RICHARDS: "My Lord, on the occasion, six months ago, when I had the honour of introducing this Bill in Council, I explained at some length the general scheme of arrangement and the nature of the more important of the changes which it seeks to effect in the existing law. I do not propose to repeat those observations today, they will be found reported in the chronicles of this Council, and it is the less necessary to recall them because the Bill has been generally accepted by the public and the legal profession and is not opposed in this Council. It will be recollect that this Bill departs from the arrangement of former Codes in that it makes a division between clauses and rules, the former consisting of the general principles of procedure and of those provisions which must necessarily be uniform throughout India; the latter containing provisions of minor importance which may properly be varied to suit local conditions; and that as a corollary to that division, there is a power given to High Courts, subject to the advice of Rule Committees, to alter the rules and to make new rules to cure defects or to meet cases which are now unprovided for. This proposal has met with the almost unanimous approval of Local Governments and of High Courts and there appears to be a general consensus of opinion that it is a change of procedure which is likely to have beneficial results. The amendments on other points have also been commonly accepted. It is impossible that in regard to the details of procedure there should be complete agreement, but the great majority of our critics are in favour of the main changes that are proposed."

"Since the Bill was introduced in this Council it has been subjected to a careful re-examination and many minor amendments have been introduced. To the more important of these, attention is called in the Report of the Select Committee, and I do not think that I can with advantage refer to them further on the present occasion. The forms in the Schedule were not in a complete state when the Bill was first before Council, but they have since been amended and brought up to date and they are now a valuable addition to the Bill. The Government are much indebted to our Hon'ble Colleague Mr. Ismay for the trouble he has taken over this matter, and they desire also to express their thanks to Mr. Bakewell of Madras who has been good enough to allow them to make use of some of the forms in his book on Mortgages."

"If the motion which I shall presently make is carried, I desire to move the amendments which stand in my name on the notice-paper; they are more or less of a formal character and do not affect the substance of the Bill."

"A good many of our critics have drawn attention to the question of the service of process—a question to which I referred in introducing this Bill. Beyond doubt the abuses which are inherent in our present system demand prompt remedy, but reform in this matter can hardly be effected by legislation; it is for Local Governments rather than the Legislature to effect an improvement. The Bill gives power to authorise service by the post, and that is an experiment which may be thought worth trial in selected areas. The whole subject is obviously one of difficulty, but I cannot think that improvement is impossible."

"Another matter to which attention was called by the Report of the Simla Committee, but which finds no place in the Bill, is the amendment in regard to charities proposed in that Committee by our Hon'ble Colleague Dr. Rashbehary Ghose. He desired to add to clause 92 a provision empowering persons interested in any charity to apply summarily for an account of the receipts and expenditure of the funds of the charity. Under the clause as it stands, as under the existing law, any interested person, with the sanction of the Advocate General, can institute a suit against the trustees of a charity and in that suit can obtain an order for accounts; but our Hon'ble Colleague points out that there are difficulties in the way of instituting suits and that it is not easy to know whether there has been such a breach of trust as will found a suit, unless some accounts are available for inquiry. He argues that trustees under the present law are bound to keep and to render accounts, and that his amendment merely provides a means of obtaining expeditiously that which the law already gives by the cumbrous process of a suit. The Simla Committee expressed some

sympathy with the general object of this proposal, but they pointed out that the matter was one for the communities interested and that until it had been fully discussed by the leaders of those communities and until their views were before this Council, it was not advisable to legislate. Since that time Dr. Rashbehary Ghose's amendment has been circulated as part of the Report and it cannot be denied that it has elicited a considerable amount of support; on the other hand, it equally cannot be denied that the amendment would introduce a considerable change in the law of trusts and in the practice at present prevailing in regard to those trusts; and that it has not yet received adequate publicity. The Government of India have carefully considered the proposal and they agree with the Simla Committee that it is one of which the communities interested must have the fullest opportunity for discussion and on which their views must be obtained before it is sanctioned: they agree therefore with the Committee in thinking that the amendment should not find a place in the Bill. But in view of the public interest which has been taken in the matter they suggest that the amendment should be introduced as a separate Bill. If that meets with the views of our Hon'ble Colleague, Dr. Rashbehary Ghose, and he will introduce the Bill, the Government are willing to accept a motion for leave to introduce it and to have it published and circulated for opinions. It must of course be understood that the Government give this assent, as lawyers say, 'without prejudice,' in other words, that they do not commit themselves to approval or disapproval of the proposal; they reserve their opinion until they have before them the views of the communities concerned.

" My Lord, I move that the Report be taken into consideration."

The Hon'ble MR. ISMAY said:—" My Lord, the Bill now before the Council has met with a favourable reception both from lawyers and from the general public. There are no doubt a few matters involving questions of principle in regard to which there must necessarily be a difference of opinion, but I think I am correct in saying that even in regard to such matters the balance of popular opinion is in favour of the action which has been decided on. Under these circumstances I only desire to say a word or two regarding the scheme of arrangement. It has been said that the scheme involves an unnecessary innovation and that there has never been any material difficulty in applying the provisions of the present Code to the diversified areas over which the Code is in operation. And a fear has been expressed that the drawback of having increasingly divergent procedures in the areas subject to the jurisdiction of different High Courts will outweigh all the advantages which are claimed for the new arrangement. My Lord, I am perfectly willing to concede that there is very little either in the present Code or in the Bill which is now before this Council which has been or which will be found unsuitable even in the backward provinces. It may no doubt be necessary to exclude a few tracts of country from the operation of certain rules of pleading with which the people are as yet unfamiliar, but broadly speaking I anticipate that every suit will be tried on the same lines irrespective of locality. I do not however in any way share the apprehension that the new arrangement will make for diversity of procedure; on the contrary, the main reason why I have always warmly advocated the division into Code and rules is that such an arrangement should, and I hope will, tend to promote uniformity. At present there is scarcely a section of the Code which has not at some time or other been the subject of conflicting rulings for the reconciling of which no remedy, short of a legislative enactment, is available. One has only to open the pages of any annotated edition of the Code in order to realize the extent of confusion which has been developed by case law during the last quarter of a century, and it is unreasonable to expect the Legislature to intervene whenever the interpretation of any particular phrase gives rise to a conflict of opinion. I have every confidence that under the new Code such a state of confusion will no longer be possible. It is only reasonable to suppose that it will be the primary duty of every Secretary of a Rule Committee to bring to notice all cases in which opinions may differ regarding the scope or meaning of a rule and that the various High Courts in concert one with another will take such action in the way of supplying omissions or remedying defects as may be necessary.

"It has been alleged that under this Bill the Code of Civil Procedure passes out of the category of enactments which will be considered by lawyers to be worthy of a scholarly commentary. If by this it is intended that it will be no longer possible to string together a number of conflicting decisions under each and every rule, then, my Lord, this fact alone will go far to demonstrate the success of the experiment which is now being made."

The Hon'ble DR. RASHBEHARY GHOSH said :— "My Lord, the leading provisions of the Code of Civil Procedure Bill and the changes introduced by it have been very fully explained in Council by the Hon'ble Member in charge of the measure, and I do not think that I can usefully add anything on the present occasion. I would, however, call attention to two recommendations made by the Simla Committee. The first recommendation to which reference has already been made by the Hon'ble Law Member relates to the gradual introduction of the service of processes by post. The Simla Committee has observed and, if I may say so without impropriety, has rightly observed that in this reform may be found a solution of one of the principal defects—I might call it the principal defect—in the administration of our legal system. The second recommendation made by the Simla Committee, to which I would also invite your attention, is the publication annually by the Government in every province of some manual corresponding to the English *Annual Practice*, containing the Act and the rules of procedure made under it or under other Acts in the province and short notes of all important decisions under the Act and rules.

"I would only add that I gladly accept the suggestion made to me by the Hon'ble Law Member, and propose at the next meeting of the Council to move for leave to introduce a Bill to carry out the object which I have in view."

The Hon'ble TIKKA SAHIB RIPUDAMAN SINGH OF NABHA said :— "My Lord, I fully agree with what the Hon'ble Mr. Richards said when introducing the Indian Limitation Bill in this Council in January last, that our Statute-book has become full of amending Acts. Out of 350 Acts there are about 120 which have been passed merely to amend the existing Acts.

"The Hon'ble Member truly remarked that the result is that our collection of Statutes has become confused and complicated, and it is becoming increasingly difficult for those who have to refer to it to find the law with accuracy. Therefore I welcome the Civil Procedure Bill which, when passed, will simplify the law to a great extent and do away with some fourteen amending Acts, which now complicate the law. Our laws should always be simple, clear and easily understood.

"The peculiar feature of the present Bill is its new form, which is for the first time introduced in India, by which the principles of the law of procedure only are codified and all details are relegated to schedules which can from time to time be added to, corrected or amended in different parts of India by Rule Committees working under the supervision of the different High Courts. The proposal seems to possess some advantages :—

- (1) that it is more elastic and rules can be amended by Rule Committees as occasion arises without causing any trouble to the highly complicated legislative machinery. But it seems open to question why we should not have the whole law-making machinery recast in such a way that there be no difficulty in quickly and easily passing through it desirable laws, rules and regulations ;
- (2) that suitable rules can be framed to suit different local conditions. It is perhaps the only advantage that can be urged in the present case. But when different parts of India had very slow and bad means of communication with each other they got on well enough with uniform laws throughout all its parts, and now that means of communication have so far improved that its most distant parts can so easily and quickly communicate with each other, as was hardly the case in early sixties of the last century, can this reason be

said to have gained so great a weight as to be considered of sufficient importance now for making the change?

"Against the above two advantages may be urged the undue hardship which is bound to be caused to the general public by this new feature in the Civil Procedure which is now sought to be introduced in India, for the following reasons:—

- (1) the greater incomprehensibility of the law that would ensue. It is a very good rule of law to assume every one to be acquainted with the laws of the country and its ignorance to be recognised as no excuse whilst as a matter of fact the best legal talent of the country spend their lives in disputing over its details. The rules will soon be so amended by different Rule Committees in different parts under different High Courts that it may soon become next to impossible for even an educated person to be able to know what the rules in different parts of India were;
- (2) the greater diversity in the rules of procedure that will follow. At present when there is one law in one form in civil matters for all people, in all parts of British India, the different High Courts have so construed some of its provisions as to give it authoritatively different meanings. But when the law really becomes to a great extent different in different parts, there is no limit to what extent the learned gentlemen might carry its meanings.

"Diversity of rules will become the source of real hardship when one individual living in one province is sued in another. It would certainly be hard on the parties, but it would provide an ample harvest for the pleaders. This perhaps explains why the measure, important as it is, has excited very little comment. Who would do this? The vakils, perhaps. But why should they, when it is for their advantage to have diversity and incomprehensibility in laws to ensure business? The Press perhaps. But they cannot spare time or attention because these are fully taken up by topics of a more exciting nature.

"As to the portion of the procedure which has been retained in the Code, there are a few provisions which call for remark.

(1) Amongst the definitions given in section 2, clause (13), that of 'moveable property' can hardly be called as such. The phrase has nowhere been defined in the Code, and it is doubtful which definition is sought here to be added to by saying that it shall include 'growing crops.'

"(2) Section 25, clause (2), enacts a very curious provision under which in certain cases Courts will have to enforce laws not prevailing within their own jurisdiction, but in force in other parts of the country. In theory it is simple enough and perfectly the correct thing to do, but in practice a most difficult thing, for the presiding Judges in such case would have no experience and practical knowledge of such laws as they would be called upon to administer.

"(3) Section 34, clause (1), gives unlimited power of passing decrees bearing interest. Considering the poverty of India and the agricultural classes being in the hands of moneylenders who charge large rates of interest, there should be some limit beyond which interest should not be awarded. The proposed law gives too wide a discretion to Courts and the Courts as usual are sure to exercise it freely. The moneylending classes actually oppress the cultivating classes, as they generally have the sympathy of the presiding officers of Civil Courts, as these officers mostly belong to the moneylending class.

"(4) Section 55 gives too much power to the officers authorised to make arrests in the way of entries in private houses. The section lays down no safeguard against abuse of such power. The process-servers of Civil Courts to whom such duties will of necessity have to be entrusted are worse paid than the lowest grades of the police against whom we hear so much all over India. Perhaps the best thing would be to authorise the Courts to impose heavy fines in every case in which abuse of such powers is proved on the officers in question and the parties in whose interest such abuse takes place.

"(5) Section 60, clause (1), exempts from attachment such personal ornaments of women as in accordance with religious usage cannot be parted with. Amongst some classes the religion says nothing, but usage, customary rather than religious, requires that certain articles must not be parted with by women. Amongst Hindus it might be religious usage not to part with their nose rings in some provinces, their bangles in others, their ear rings in some districts, but amongst some classes, though religion says nothing, yet custom is as rigid as in the case of Hindus. As the section now stands, all women except Hindus would be liable to suffer injustice, and there is no reason why they all should not receive equal protection.

"Besides, women require further protection of their personal property against attachment in execution of decrees against their husbands or other male relatives. A married woman can hold her separate property. Even amongst Hindus she can have her 'stridhan.' Is it right to disregard all such claims and draw no distinction between a woman's separate and personal property and that of her husband or common family property? Therefore it is necessary that no property held by any female member of the family separately from the husband as her exclusive property shall be liable to attachment in execution of decrees against the latter.

"(6) Section 61 provides partial exemption of agricultural produce from attachment. The duty of fixing the amount of the share of such produce is left in the hands of the Local Governments. It would have been better to fix a minimum, because the principal details should be settled by the Supreme Legislature rather than be left to the local authorities.

"(7) Section 94, clause (a), gives extraordinary power to Civil Courts to interfere with the freedom of defendants, and it is feared such powers would be used sometimes without proper discretion. It would not be safe to give these powers indiscriminately to all Courts. If such powers are thought necessary, they should only be vested in the hands of superior Courts, to be carefully exercised in special cases only.

"As to the provisions laid down in the schedule, it is hardly worth while to consider them in detail or to offer criticism on them, for they will soon be taken up and altered by different Rule Committees to conform to their own views, and any criticism now would simply be wasted labour.

"Before concluding I must confess my great disappointment at the Hon'ble Dr. Ghose's suggestion relating to charitable trusts not being accepted. I was under the impression that the Select Committee would accept and recommend the clause suggested to the Council, but their Report is quite silent on this point, which is still more surprising and shows that they have not even touched the subject. The Hon'ble Mr. Ananda Charlu introduced a Bill in this Council in March, 1897, to remedy this evil, but after four years it was eventually withdrawn in 1901, because the Government opposed it and wished that it should not be proceeded with any further. My Lord, I made a few remarks on this subject in my budget speech last year, and I need not repeat the same on the present occasion, although I feel bound to say that Government ought to move, and move before long in this direction, because it is under a moral obligation to see to the proper administration of vast trust funds, which ought to be devoted to such religious and charitable purposes for which they were endowed. The present suggestion of Dr. Ghose was a very modest attempt in this direction, and I wish that Government could have seen its way to accepting it."

The Hon'ble MUNSHI MADHO LAL said:—"My Lord, although my Hon'ble Colleagues who have preceded me have said all that could have been said on the motion before the Council, with Your Excellency's permission, I should like to make a few remarks.

"The principal feature of this Bill, as the Council is aware, is the re-arrangement of the clauses and the relegation of minor provisions to schedules which can be amended or added to by High Courts subject to the advice of Rule Committees. It has been represented that the novelty will cause much inconvenience in practice. It is said that the

same subject is split over in the body of the Code and the schedules; that great difficulty will be felt by the Bench and the Bar alike in referring to the old sections; that the delegation of the legislative authority to the High Courts in the matter of broader details hitherto dealt with by the Legislature is undesirable; that High Court Judges have little time to spare from their judicial work; that the rules of the Court of the various provinces are far from perfect; that the subordinate judiciary do not view with favour what has been called, by a correspondent, the proposed amputation of the Code; that the Code has hitherto done well, and all that was required was to revise it in the light of case law. My honoured and learned colleague, the Law Member, anticipated all these objections at a very early stage, and tried to meet them fully and efficiently in his speech with which he introduced the Bill at Simla in September last. He has shown conclusively the necessity of the above-mentioned changes and the plan adopted, after full and careful consideration, will, it is hoped, prove simple, safe and sound. Similar objections were taken by a section of the Press too. But a perusal of the opinions received by the Legislative Department makes it clear that the objections form a 'microscopic minority'; that there is a consensus of opinion in favour of the new arrangement. Personally I consider that, with the safeguards provided by the law, the Rule Committees and the High Courts will be quite capable of amending or altering the rules contained in the schedules. I admit that the High Court Judges have not much time to spare from their judicial duties; but I do not think that they will be required to devote much of their time to their rule-making duties, as the rules contained in the schedules have been made with great care and consideration, and I do not think that their alteration will be required often. Moreover, the responsibility that will rest with Rule Committees and the High Courts will make them more vigilant and keen in discharging their duty in this respect, and they will be in a better position to *interpret* the rules. In this way there will be an elasticity in the rules of pure procedure which it is hoped will be beneficial to the public and the legal practitioners. The main principles of the law have been embodied in the Code which the Legislature alone have the power to change. I should have been glad were it possible to have all the rules made from time to time by different High Courts submitted to the Government of India in the Legislative Department, which could serve as a central revising authority. I think the Bill now before the Council has many advantages over the old Code. The provision that every suit shall be instituted by presentation of a plaint or in such other manner as may be prescribed by the rules, the provision for effecting execution by precepts, the partial exemption of agricultural produce, the important additions to the existing law relating to the public charities, as embodied in clause 92, the provision for execution of decrees by appointment of receivers, are some of the improvements which will, I am sure, be appreciated by experience. I wish greater facilities had been given to the public for a more prompt, easy and effective control of all public, religious and charitable trusts, on the lines suggested by my learned friend, the Hon'ble Dr. Rashbehary Ghose. I have little doubt that Hindus and Muhammadans would welcome any measure that would confer on the public more power to control and protect all public, charitable and religious endowments. In the mass of opinions on the Bill received in the Legislative Department there is an overwhelming majority in favour of adopting the Hon'ble Doctor's suggestions. If I am rightly informed, the Sri Bharat Dharm Mahamandal and the Zamindars' Association of Muzaffarnagar have addressed the Government of India asking for more facilities to be given by the law for control and protection of public charities and endowments. Other public bodies have also supported this view. The Provincial Social Conference that met at Lucknow the other day adopted a resolution approving of Dr. Ghose's draft (clause 93A). I, for one, cannot see what possible objection there can be to fulfil the desire of the public thus expressed. I suppose they do not ask anything more than the Government seems prepared to give; they only want that, instead of instituting a suit, power should be given to the public, under the same conditions and restrictions as embodied in the present Bill, to move the Court by an application. If necessary, some more safeguards may be provided so that persons in charge of charitable and religious endowments may not be harassed. However, I shall

not enlarge on this subject as I still entertain hopes that something will be done by the Government and the Hon'ble Council in this respect, the more so, after the announcement that has just been made by the Hon'ble the Law Member regarding the introduction of a separate Bill on the subject by the Hon'ble Dr. Ghose. I trust that the Courts will in future take full advantage of the power given to them of appointing receivers in execution proceedings. This power has till now been very sparingly used, with the result that judgment-debtors and decree-holders and immoveable property itself have not unoften been ruined. If a return were called for showing the time taken in executing decrees and realising the decretal amounts by decree-holders, and the costs of the execution proceedings, it would, I fear, unfold a sickening tale of small landed properties sold out and large zamindaris ruined. It is, I take it, the object of the Government to help, as far as possible, the landed proprietors, in preserving their holdings and maintaining, in their integrity, large zamindari estates. This object, I am confident, can be achieved by the Civil Courts if they exercise the powers now vested in them for appointment of receivers, whenever immoveable property of any value forms the subject-matter of the litigation, at the earliest possible stage of the legal proceedings, or certainly on the passing of the decree in the suit. There is no dearth now in the Mufassal of properly qualified legal practitioners to be appointed receivers. The Courts may also within certain limitations and with the consent of the Collectors appoint them receivers, in the same way as they are appointed managers of Courts of Wards. The power now conferred on the Civil Courts, if properly exercised, will, in my humble opinion, be a real boon to decree-holders and judgment-debtors alike, and save many a landed proprietor from ruin. That between the passing of a decree and its final execution a long time passes, to the great detriment of the landed property under litigation and the certain loss of the decree-holder and the judgment-debtor, is a fact which I need hardly enlarge upon. I shall content myself with one illustration which is typical of its class. A mortgage-decree was obtained in the Court of the Subordinate Judge of Patna in 1900, and the decretal amount has not yet been realised, although the property is said to yield an income of a lakh and a half of rupees per annum. Execution proceedings are still pending; and the estate has just been taken over by the Court of Wards.

"My Lord, I can not conclude without discharging the pleasant duty of expressing the feeling of gratitude and thankfulness, on behalf of the public, to your Excellency's Government for the manner in which it has managed this most important, useful and complicated piece of legislation. It brought together the best men of intellect and legal acumen, available in the whole of India, to form the Special Committee which sat at Simla and to which our hearty thanks are due, which did real and substantial work, in making the frame-work of the Bill now before the Council, as on its basis the Select Committee did their duty and found their work made comparatively easy. I quite agree with the remark of our learned Law Member to the effect 'I do not know that there are four other lawyers in India who could command more completely the confidence of the public in a matter such as this, and the fact that they have approved of this Bill and approved of it unanimously, is, I venture to think, an argument of an almost conclusive character in its favour.' I may be allowed to add that it would have been hard to find a better law maker than our Law Member, the Hon'ble Mr. Erle Richards, who controlled and directed the Special Committee and presided over the Select Committee with such ability and tact, brought to bear on all matters an intrinsic merit of high order, whose patience and sympathy cannot be too much admired. He heard and considered with attention and courtesy all the suggestions that were made, whether by the officials or by the public, and those that were put forward by the members of the Select Committee. Our most hearty thanks are due to him. I am almost confident that the present Bill, if passed, will prove most useful to the public, the judiciary and the legal profession, and that the difficulty, if any, in working the Code will very soon be a thing of the past."

The motion was put and agreed to.

The Hon'ble MR. CHITNAVIS moved that in clause 2 (18) of the Bill as amended by the Select Committee, for the definition of "rules" the following be substituted, namely :—

- " 'rules' means rules and forms contained in the First Schedule or made under section 122 or section 125."

He said :—" My Lord, it is of great importance that the rule-making power under this Bill should be absolutely clear, and the object of this amendment is to remove a doubt which arises in regard to the definition of rules. It might be argued that rules as at present defined included rules made under clauses 129 and 130, that is, rules not relating to procedure. I suggest for the consideration of Council that this definition should be made clear by the addition of the words proposed."

\* The Hon'ble MR. ERLE RICHARDS said :—" I am much obliged to my Hon'ble Colleague for calling attention to this point, which is a small one but not an unimportant one, and I think that the form he suggests is an improvement on that contained in the Bill. I beg to recommend to the Council that it be accepted."

The motion was put and agreed to.

\* The Hon'ble MR. ERLE RICHARDS said :—" I desire to move an amendment in clause 123, sub-clause (2) (d), of the Bill as amended by the Select Committee, that for the words 'a Subordinate Judge' the words 'a Judge of a Civil Court Subordinate to the High Court' be substituted. Clause 123 deals with the constitution of the Rule Committee, and the particular sub-clause to which I refer was inserted by the Select Committee in order to provide for the presence on the Rule Committee of a Subordinate Judge. It was not, however, present to the minds of the Select Committee that in Burma, at least, there are no Judges who can properly be called Subordinate Judges. It is possible that the term might be construed sufficiently widely for the purposes of Burma, but it seems better to have the point clear on the face of the Bill and to use some expression which will be beyond doubt applicable to every province. The words proposed will allow of the presence of a District Judge or of a Subordinate Judge on the Rule Committees and will, I think, cover the requirements of every Province."

The motion was put and agreed to.

The Hon'ble MR. CHITNAVIS moved that in clause 125, *proviso*, of the Bill as amended by the Select Committee, the words "under the provisions of this Part" be omitted. He said :—" This amendment, my Lord, is connected with the amendment which I have already moved in this Council. It is intended to clear up all possible doubt as to the meaning of rules in clause 125."

The Hon'ble MR. ERLE RICHARDS said :—" I have considered this matter and I think that the words to which my Hon'ble Colleague takes exception are unnecessary and might conceivably lead to some doubt as to the meaning of the proviso. I therefore ask the Council to accept the amendment."

The motion was put and agreed to.

The Hon'ble MR. ERLE RICHARDS moved that in the First Schedule of the Bill as amended by the Select Committee, Order III, "Recognised Agents and Pleaders", rule 4, sub-rule (3), after the figures "1861" the words "or of any Chief Court" be inserted. He said :—" Sub-rule (3) deals with the class of pleaders who are entitled to act without presenting a document authorising them to do so, and as settled by the Select Committee it applies only to Advocates of the High Courts under the Indian High Courts Act, 1861, and to Advocates who are Barristers. It has been brought to our notice, however, that there are some gentlemen—I think four in all—who have the right to act in this way at present as Advocates in the Chief Court of the Punjab, but who are not Barristers; and although this

is a provision which can be altered by the Rule Committee, still it would be hard on these gentlemen that their vested rights should be taken away by an alteration of the form of the clause. I therefore propose to the Council that the clause should be restored to the form in which section 39 of the present Code of Civil Procedure Bill stands, and that after the figure '1861' in sub-rule (3) the words 'or of any Chief Court' should be added. That will cover the case of these gentlemen."

The motion was put and agreed to.

The Hon'ble MR. CHITNAVIS moved that in the First Schedule of the Bill as amended by the Select Committee, Order XXXIV, "Suits relating to Mortgages of Immoveable Property", after rule 13 the following rule be inserted, namely :—

" 14. Where a mortgagee has obtained a decree for the payment of money Suit for sale necessary for bringing mortgaged property to sale. in satisfaction of a claim arising under the mortgage, he shall not be entitled to bring the mortgaged property to sale otherwise than by instituting a suit for sale in enforcement of the mortgage and he may institute such suit notwithstanding anything contained in Order II, rule 2;"  
and that the present rule 14 be re-numbered as 15.

" My Lord, the amendment I now move has relation to section 99 of the Transfer of Property Act, 1882, which it is proposed to repeal by this Bill. The effect of repealing this section would be to allow a mortgagee who has obtained a decree for money against a mortgagor to sell the mortgaged property in proceedings in execution of that decree. But there is one case in which this would work hardship, and that is if the mortgagee were to effect such sale in execution of a decree for money due under the mortgage. In that case he would be getting a right of sale against the mortgagor free from the protection which the law gives a mortgagor in suits for sale. I suggest to this Council that this should not be so and that an amendment should be inserted such as that I now move in order to protect the mortgagor in proceedings by way of execution of a decree for property due under the mortgagee."

The Hon'ble MR. ERLE RICHARDS said :—" My Lord, I have had the advantage of discussing this point with some of my Hon'ble Colleagues on the Select Committee, and we are agreed that the amendment proposed by the Hon'ble Member is desirable subject to one condition, and that is, that some words be inserted to prevent its applying to territories to which the Transfer of Property Act does not at present apply. The amendment of my Hon'ble Colleague is taken from section 99 of the Transfer of Property Act, and if his amendment were carried in its present form, it wou'd apply to territories to which that Act does not at present apply. I understand that the Hon'ble Member is willing to accept this addition to his amendment. The addition would be to number the new clause he proposes clause 14, sub-rule (1), and then to add at the end the following new sub-rule :—

" (2) Nothing in sub-rule (1) shall apply to any territories to which the Transfer of Property Act, 1882, has not been extended."

" I understand that my Hon'ble Colleague will accept this addition to his amendment and I recommend the Council to accept his amendment as altered in this way."

The Hon'ble MR. CHITNAVIS :—" I beg to accept the amendment of the Hon'ble Law Member."

The motion was put and agreed to.

The Hon'ble MR. ERLE RICHARDS moved that in the First Schedule of the Bill as amended by the Select Committee, Appendix A, " (4) Written

Statements," the Form No. 8, entitled " Defence in Suits for infringement of a Patent ", be omitted, and that the subsequent Forms, Nos. 9 to 17, be re-numbered as Nos. 8 to 16, respectively. He said :—That form is not technically accurate as the law stands at present. It has been drawn in anticipation of the law as proposed to be amended and it is in advance of the law as it at present stands."

The motion was put and agreed to.

The Hon'ble MR. ERLE RICHARDS moved that the Bill, as now amended, be passed. He said :—" My Lord, I suspect that the Members of this Council must be experiencing no little sense of relief in hearing that this measure has now reached its final stage. For the past seven years it has stood on the List of Business of this Council, it has been considered by four Committees, it has been published and circulated three times, it has been the subject of copious criticism by the public and by the profession. But in defence of this I would point out that the Legislature has not been often troubled with a general amendment of Civil Procedure. The first Code was passed in 1859 ; it was amended and re-enacted in 1877 ; and though it came again before the Legislature five years later, the Act of 1882 was in substance no more than the Act of 1877. It is therefore more than thirty years since the last Code was discussed in this Council, and much has happened in those years to warrant a fresh enactment. A mass of decisions has grown up round the present Code which should be removed, and many points of conflict have arisen between the various High Courts which should be set at rest. Moreover, the English practice on which the Act of 1877 was based has itself been remodelled since that year as the result of experience and we should take advantage of that experience. It is full time therefore that a new Act should be passed, and if excuse were wanted for the deliberation with which we have proceeded in enacting it, I would remind the Council that these two Codes of Procedure of ours, the Civil and the Criminal, are big things. They stand alone in the records of comparative legislation both in regard to the extent of the population which they affect and to the number of Courts to which they apply. They govern the litigation of the people of British India, some 300 millions in all, and they regulate the procedure of over 2,000 Courts. It is wise therefore to proceed cautiously in effecting a change in them.

" If this motion be carried, my Lord, we shall no longer have a law of procedure which in every detail must be the same for all India. The enactment of one uniform Code applicable to all the territories within the jurisdiction of the Legislature which enacts it is a tempting ideal, and we shall abandon it with some regret ; but it is an ideal which must yield to practical considerations. It is expedient that there should be uniformity in main principles, but in the less important matters of procedure there should be some elasticity in order to enable the Code to meet the varying wants of different localities and different communities. The Bill gives effect to this view, and if the rule-making power given by it be used with moderation, it will, as I venture to hope, be a means of effecting a considerable improvement in the machinery of our procedure. The power is given to the High Courts and I have every confidence that they will use it to the best advantage. It is in that belief that I commend this motion to the Council.

" I cannot, my Lord, conclude these observations without once more expressing the thanks of the Government of India, and I think I may fairly add of the public of India, to those who have assisted me in this complicated matter. I have been at best but the coxswain of the boat ; it has been rowed into harbour by others. The burden has fallen mainly on those gentlemen who were associated with me in the Committee which sat at Simla, but we owe our thanks also to the Judges and lawyers of India who have generously placed their experience and their learning at our disposal and to the Select Committee of this Council. Nor can we forget our obligations to my predecessor, Sir Thomas Raleigh, and the Committees who worked with him. They cleared the course for us and made our progress possible.

" My Lord, I move that the Bill be passed."

The motion was put and agreed to.

The Council adjourned to Friday, the 20th March, 1908.

J. M. MACPHERSON,  
*Secretary to the Government of India,  
Legislative Department.*

CALCUTTA ;

*The 13th March, 1908.*

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CALCUTTA, SATURDAY, MARCH 21, 1908.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## PART VI.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS  
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS,  
1861 AND 1892 (24 & 25 VICT., C. 67,  
AND 55 & 56 VICT., C. 14).

The Council met at Government House, Calcutta, on Friday, the 20th March, 1908.

### PRESENT :

His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Honour Sir Andrew Fraser, K.C.S.I., Lieutenant-Governor of Bengal.  
His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.  
The Hon'ble Mr. H. Erle Richards, K.C.  
The Hon'ble Mr. E. N. Baker, C.S.I.  
The Hon'ble Major-General C. H. Scott, C.B., R.A.  
The Hon'ble Sir Harvey Adamson, Kt., C.S.I.  
The Hon'ble Mr. J. O. Miller, C.S.I.  
The Hon'ble Mr. W. L. Harvey, C.I.E.  
The Hon'ble Sir Rameshwara Singh, K.C.I.E., Maharaja Bahadur of Darbhanga.  
The Hon'ble Munshi Madho Lal.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. H. W. W. Reynolds.  
The Hon'ble Mr. F. A. Slacke, C.S.I.

The Hon'ble Mr. H. A. Sim, C.I.E.  
The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.  
The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.  
The Hon'ble Mr. Gopal Krishna Gokhale, C.I.E.  
The Hon'ble Mr. A. A. Apcar, C.S.I.  
The Hon'ble Mr. S. Ismay, C.S.I.  
The Hon'ble Maung Bah Too, K.S.M.  
The Hon'ble Mr. W. W. Drew.  
The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.  
The Hon'ble Mr. W. R. H. Merk, C.S.I.

### QUESTIONS AND ANSWERS.

**The Hon'ble MUNSHI MADHO LAL** asked :—

"Is the Government aware that different versions have been reported in different papers about the sedition case against Lala Zorawar Singh and other respectable Hindus of Etawah in the United Provinces of Agra and Oudh? Will the Government be pleased to state the full particulars of the case to clear up misunderstandings and also mention names of persons, if any, who were punished for fabricating a false case?"

**The Hon'ble Sir HARVEY ADAMSON** replied :—

"No proceedings for sedition have been instituted or recommended for institution against the persons referred to. In July last certain papers, purporting to show that some Hindu gentlemen at Etawah were in communication with political agitators in the Punjab, came into the hands of the local authorities. The Magistrate and District Superintendent of Police considered the papers genuine, but investigation by experts furnished grounds for suspecting them to be forgeries by one Khalil who thereupon absconded. Proceedings against him were recorded under section 512, Code of Criminal Procedure, and sections 468, 469 and 471 of the Indian Penal Code by the Magistrate of the District, who completed them on March 6th. On that date Zorawar Singh and others applied that further witnesses should be summoned on the ground that the enquiry was incomplete and that the forgeries were the result of a deep-laid conspiracy of which Khalil was only an instrument. The Magistrate after hearing Zorawar Singh at length refused to allow the applicants to interfere in the course of the proceedings under section 512, but informed them that if they filed a definite complaint of definite offences against definite persons it should receive the fullest enquiry in open Court. No evidence has been obtained to implicate any one except Khalil in the alleged forgeries."

**The Hon'ble MUNSHI MADHO LAL** asked :—

"Will the Government be pleased to mention whether on the occurrence of a temporary vacancy, caused by absence on leave, in the higher grades of the Provincial Civil Service and amongst Tahsildars acting grade promotions are given as in the case of posts held by the members of the Indian Civil Service; and, if not, whether it is not desirable to allow the Provincial Civil Service such a concession?"

**The Hon'ble Mr. BAKER** replied :—

"Generally speaking the facts are as stated in the first part of the question, namely, that acting promotion from grade to grade is not allowed in the Provincial and Subordinate Civil Services. The Government of India are not disposed to extend this system to any of the services in which it does not at present prevail."

The Hon'ble MUNSHI MADHO LAL asked :—

"(a) Will the Government of India be pleased to state whether it is contemplated to reduce the present strength of the Calcutta High Court by transferring a part of the Hon'ble Court, or locating one or two Division Benches, in the new Province (Eastern Bengal and Assam) ?

"(b) Is the Government aware that any arrangement by which the strength, power or jurisdiction of the Calcutta High Court is curtailed will be a most unpopular measure?"

The Hon'ble SIR HARVEY ADAMSON replied :—

"The Government of India do not contemplate the transfer of a part of the Calcutta High Court to Eastern Bengal and Assam or the location of Division Benches in that province."

#### FINANCIAL STATEMENT FOR 1908-1909.

The Hon'ble MR. BAKER introduced and explained the Financial Statement for 1908-1909. He said :—"My Lord, I lay on the table the Financial Statement for 1908-1909 with the usual appendices and accounts, and will, with Your Lordship's permission, give the Council a brief summary of the financial position.

"In each of the last three budgets which I have presented, it has been my fortune to report an improvement of greater or less magnitude in the realised revenue and surplus of the year, as compared with the original estimate. Today, I regret to say that my task is different. The failure of the monsoon over a large part of Northern India and the existence of widespread famine will have prepared the Council for a comparative deterioration in the position. The speeches of Your Excellency and other speakers at last Tuesday's meeting at the Town Hall have given the public a full and graphic picture of the extent and severity of the misfortune that has befallen the country, and I need not go over the ground again. It is sufficient to state that famine has been declared to exist in an area of about 118,000 square miles in British India and 15,000 square miles in the Native States of Central India. The population affected is nearly 50 millions in all, and at the beginning of the present month nearly a million and a half of persons were in receipt of relief. The distress would have been far greater but for the winter rains which, though late in coming, were abundant and well distributed. We have issued over 2 crores of rupees in the form of takavi loans during the current year and have provided an equal amount for next year. We have suspended over 3½ crores of land revenue in the two years and have made ample provision for expenditure on direct relief.

"These results are necessarily reflected in the accounts of the year. In accordance with a decision which was foreshadowed in the Budget debate of last year, we have arranged to exclude from our estimates and accounts the transactions of a number of local funds, aggregating rather more than 3 crores of rupees on each side of the account. Allowing for this adjustment, a year ago we estimated the revenue of 1907-1908 at 108,75 lakhs, the expenditure chargeable against revenue at 107,59 lakhs, and the surplus at 116 lakhs. We now calculate that the revenue will amount to 106,48 lakhs, a falling-off of 227 lakhs. The expenditure is now estimated at 106,13 lakhs, and the surplus at 35 lakhs, being a net worsening of 81 lakhs.

"The causes of this are as follows :—

	Lakhs.
(1) Land revenue receipts have fallen off in consequence mainly of the famine by . . . . .	255
(2) Our net Railway earnings have fallen short of the estimate by . . . . . This is partly due to the famine, but also in large measure to the rise in working expenses and cost of renewals.	109
(3) The direct charges for famine relief have amounted to 77 lakhs, being an increase over the estimate of . . . . .	68

"These three items give a total deterioration of 432 lakhs.

"On the other hand Opium and Customs have done better than we expected to the extent of 56 and 55 lakhs respectively. There is a saving of 114 lakhs in Army charges due partly to delay in carrying out the re-distribution scheme, and partly to savings and economies in other directions. These would have been greater but for the prevailing high prices of food and fodder, which have increased the cost of feeding the army by nearly 13 lakhs. The cost of the Zakka Khel expedition is estimated at about 8½ lakhs, of which the greater part will fall into the accounts of the current year. Under other heads of revenue and expenditure there is a net improvement of 50 lakhs, and the expenditure charged against provincial balances and not against current revenue is greater by 76 lakhs. These improvements help us to the extent of 351 lakhs, and the net result is the worseness of 81 lakhs already mentioned.

"For next year, our calculations are based on the assumption that the monsoon will be normal. If that should happily prove to be the case, we have reason to hope that the progress of the country will resume its usual course, and that the set back which it has met with in the present year will rapidly be made good. In this view we take credit for a reasonable development of revenue under all the principal heads, and for a full recovery under Land Revenue and Railway earnings. On the other hand we have provided 132 lakhs for famine relief. The gross revenue is estimated at 110,16 lakhs, the expenditure chargeable against revenue at 109,30 lakhs, and the surplus at 86 lakhs. The Military charges are estimated at 31,13 lakhs which is 79 lakhs less than the budget for the current year though 35 lakhs more than the probable actuals. This result has been effected mainly by restricting the grant for 'special' expenditure to 250 lakhs, and allowing no regrant or lapses. The reduction would have been greater but that we have been forced by reason of the prevailing high prices to increase the provision for feeding the army by 19½ lakhs.

"Our opium revenue is taken at 57 lakhs less than in the current year in pursuance of our policy of gradual restriction of the cultivation and export. An agreement has recently been arrived at between His Majesty's Government and the Government of China in regard to this subject, and a brief account of the terms will be found in the body of the Statement.

"In existing circumstances it is not in our power to undertake anything in the way of remitting taxation. Neither can we do very much towards increasing useful expenditure for the development of the country. We have, however, provided 12 lakhs for police reform, in addition to 20 lakhs assigned for this purpose to the United Provinces and Madras in the revision of their settlements. We have also provided a recurring grant of 30 lakhs a year for distribution among the provinces for expenditure on the improvement of the public health with special reference to the prevention of plague, and the improvement of the sanitary conditions of urban areas.

"For capital expenditure on Railways we have been able to provide 15 crores of rupees, but almost the whole of this will be required for open lines or lines already under construction, and not more than 20 lakhs are likely to be available for new projects. For Irrigation we have increased the capital grant to 150 lakhs. It is proposed to raise a rupee loan of 3 crores in India, and to issue temporary India Bills in London to the extent of half a million sterling. The present intention of the Secretary of State is to draw Bills on India to the amount of 18½ millions sterling, but additional Bills will as usual be sold, if required, to meet the demands of trade. These announcements are all made subject to the usual reservation.

"These, my Lord, are the leading features of the Budget for the ensuing year. I am very conscious that it is less favourable than those which I have been enabled to present during the last three years. And it must be admitted that the tide of our prosperity has received a check. Nevertheless there is no cause for despondency. Our ordinary revenues show every symptom of healthy elasticity. The extent of the famine which has descended on Northern and Central India is markedly less than in either 1897 or 1900—while the courage, confidence and resource with which it is being faced by the people themselves have been noted by all observers, and merit the ample recognition and unstinted co-operation of the Government. If the rains of next autumn are happily propitious, there is good

reason to hope that the present temporary depression will pass away like a cloud and leave no permanent trace behind."

#### INDIAN LIMITATION BILL.

The Hon'ble MR. RICHARDS: "My Lord, I beg to present the Report of the Select Committee on the Bill to consolidate and amend the law for the Limitation of Suits, and for other purposes."

"The amendments made by the Committee are set out in the Report and I desire to call attention to two only. I do so because they were not in the Bill as introduced. The first relates to legal disability, clause 6. The Committee recommend that minors should not be entitled to claim the benefit of minority in regard to applications other than applications for execution. They think that the power to open up transactions on attaining majority, in cases such as those to which the clause refers in which the minor has been represented by a guardian, at the time, should be restricted. The second point relates to clause 14. It is proposed to add an explanation to that clause to make it clear that it applies to cases of misjoinder of parties or of causes of action as well as to cases of defect of jurisdiction; this will put an end to considerable conflict of opinion."

"In the course of the discussions on this Bill various proposals were put before the Committee for restricting periods of limitation; but the Committee have not adopted those proposals. Changes of that character appeared to them to involve questions of policy and of policy which would differ in the different parts of India. As an illustration there is the matter to which I referred in introducing this Bill—the limitation of suits for redemption by mortgagors which is now the long period of sixty years. It was pressed upon the Committee from several quarters that this period should be reduced to twelve or at least to twenty years. On the other hand, it was equally pressed upon them from other quarters that any change of that kind would be disastrous in its effect. It is clear that changes such as this cannot be lightly undertaken. If they are to be made they must be made after the fullest consideration and must be brought forward as separate proposals; they are not within the scope of this Bill."

"It has not been possible to present the Bill at an earlier period and it cannot therefore be passed until the Council meets at Simla. Meantime it is hoped that Courts before whom cases affected by the recent Privy Council decision may come will allow those cases to stand over until the Bill becomes law. The delay will give a further opportunity for consideration of the Bill, if any be needed."

The Hon'ble DR. RASHBEHARY GHOSE moved for leave to introduce a Bill to give greater facilities to the public for calling for and inspecting Accounts of Public Charities. He said:—"My Lord, the Bill I am going to introduce to-day may be said to be a companion measure to the Code of Civil Procedure which was passed on Friday last. It embodies a proposal which was made by me as a member of the Simla Committee with which my colleagues expressed their sympathy; though they did not see their way to accept it, until it had been fully discussed by the leaders of the communities likely to be affected by my proposal. It was, however, circulated as part of the report and I am glad to say obtained a very considerable measure of support. I did not, however, move any amendment at the last meeting of the Council, when the Code of Civil Procedure Bill was taken into consideration; because it was thought desirable that a further opportunity should be given to the communities interested in the question of discussing the proposal; and this is my reason for embodying it in a separate Bill."

"My Hon'ble Colleague the Tikka Sahib spoke of my proposal the other day as a very modest proposal. And so it is; for I do not suggest any drastic reforms; as I wish anxiously to avoid anything wearing even the slightest semblance of interference with our religious institutions. I am not, therefore, going to invite the Council to take away any single right or privilege, however much liable to abuse, now possessed by the heads of our religious and

charitable institutions or to interfere in the slightest degree with their management. All that I ask is that the public, who are the real beneficiaries, should be able to obtain under proper safeguards an inspection of the trust accounts. In making this modest demand, I am not imposing any new obligation on the trustees; for they are already bound under the law to keep proper accounts of the trust property. "The first and primary duty of a trustee," said a distinguished English Judge, "having money in his hands to be received and to be paid is that an account of his receipts and payments should be kept to be produced to those interested in the account when it is properly demanded." In the case in which these remarks were made the trustees urged that they were illiterate men and could not keep accounts; but His Lordship answered that it is the first duty of a trustee, if he cannot keep accounts, to provide some one who can. And this obligation has been recognized by the Indian Legislature in Act XX of 1863, section 13 of which enacts that it shall be the duty of every trustee, manager and superintendent of a mosque, temple or religious establishment to which the provisions of the Act shall apply, to keep regular accounts of his receipts and disbursements, in respect of endowments and expenses of such mosque, temple or other religious establishment. These accounts, however, are not open to the inspection of the public; though when a suit is instituted, the Court may direct the accounts of the trust to be taken in the ordinary way. The Bill thus merely provides a cheap and expeditious method of obtaining that which can be obtained even now, but only by the cumbrous, dilatory and expensive process of what is known in this country as a regular suit. Then again, it is not always easy to ascertain whether a breach of trust has been committed by the trustee which would render him liable to removal, unless the accounts of the trust property are available to the relators; and the inability to obtain inspection, I know, from my professional experience, is a serious embarrassment in the way of persons desirous of instituting a suit against a dishonest trustee. To the possible objection that this right may be used for some indirect or other improper purpose, I would answer that any abuse of the kind is sufficiently guarded against by requiring as a condition precedent to the making of any such application, the consent of the Advocate General or of some officer specially empowered in that behalf by the Local Government. There is nothing, therefore, in this Bill to create suspicion or to excite alarm except possibly in the minds of those who 'creep and intrude and climb into the fold,'—faithless to their vows and to the rules of their order.

"My Lord, I am aware it is never safe to prophesy till you know. But in the present instance I may venture to affirm without much rashness that this very modest Bill will not give rise to any heated controversy. On this point I have no misgivings whatever. I am absolutely certain that it will be welcomed by every honest trustee and will not be opposed even by questionable occupants of the guddee. For they must know that secrecy always engenders suspicion and distrust except—and it is not an unimportant exception—in the case of any official despatch or resolution. They must know also that they cannot oppose this Bill without rendering themselves open to the suspicion that they are unfaithful stewards,—a dishonour to their order and a reproach to the community to which they belong.

"My only fear is that this measure might not satisfy the more ardent reformers who insist upon a thoroughly effective supervision over religious houses, as I gather from some of the representations which have been made to the Legislative Department and also to me personally by public bodies as well as by leading men from various parts of the country, in which they point out that the emancipation of Hindu and Muhammadan religious endowments from all effective control which was carried out by Act XX of 1863 during Lord Lawrence's administration, under influences which I need not discuss, was a measure of very doubtful wisdom. I repeat, my modest Bill would hardly satisfy these reformers. Of one thing, however, I am certain. I am confident that the heads of religious houses can have no ground whatever of complaint. They can have no ground whatever of complaint against a measure which does not impose any new duty upon them or interfere in any way with their rights and privileges. They can have no ground of complaint whatever against a measure which by allowing their accounts to be inspected by the public,

subject to clearly defined restrictions, is likely to win back the confidence of the people which some of them, I fear, have forfeited by their misconduct. And this reminds me that many of these heads fully approve of the proposal contained in this Bill. For they are men who scrupulously observe their vows, —men who have nothing to fear from a law which without impairing their legitimate authority, is only intended to check breaches of trust by those who ought to illustrate in their lives and conversation the great law of sacrifice; and the example of these holy men will, I hope, serve as a guide to their weaker brethren."

The Hon'ble TIKKA SAHIB RIPUDAMAN SINGH OF NABHA said:— "Last week, I expressed my disappointment at the Hon'ble Dr. Ghose's suggestion relating to charitable trusts not being accepted in connection with the Code of Civil Procedure, but I am delighted to find that the Government has been pleased to give leave to the learned Doctor to introduce a separate Bill to carry out the object which is in view. Although the concluding remarks of the Hon'ble Law Member's speech at the last meeting of the Council are not very encouraging, yet we have to heartily thank the Government for this practical sympathy which they have shown in the cause of reform. In the papers about the Code of Civil Procedure received in the Legislative Department, an overwhelming majority of the opinion of both Hindus and Muhammadans is to be found, supporting the Hon'ble Doctor's suggestion. Then again in view of the fact that persons like the Hon'ble Munshi Madho Lal—the guardian and the keeper of the Vedás—give their hearty support to the proposed reform, and on whose high authority we learnt the other day that even an 'orthodox' body of the Hindus like Sri Bharat Dharm Mahamandal have addressed the Government on the subject, asking for more facilities to be given by law for proper control and management of public charities and endowments, I have great hopes for the future, and I feel almost sure that something will be done in this respect. I wish the Hon'ble Dr. Ghose every success in this noble cause, and I sincerely trust that his Bill will not meet the same fate which the Hon'ble Mr. Ananda Charlu's Bill met a few years ago. My Lord, the Bill which will be introduced by the Hon'ble Dr. Rashbehary Ghose has my hearty support."

The Hon'ble MUNSHI MADHO LAL said:—"My Lord, I have very great pleasure in supporting the motion of my Hon'ble friend, Dr. Rashbehary Ghose, as I am in full sympathy with his object. I submit that the acceptance of his very modest proposal will not militate against the avowed policy of religious neutrality which has been so wisely followed in this country. If it did, I would, as a loyal subject, deem it my duty to inform Your Excellency's Government against the introduction of such a measure. As a matter of fact the principle underlying the proposed legislation has already been admitted in the existing law. It empowers the Courts to call for accounts on the institution of a suit. The proposal now before the Council will give the public, interested in a public trust, the power to move the Courts, in a less expensive and more expeditious manner, to interfere with the same if wrongly managed, by calling for accounts in a summary manner. And I submit that it is but fair and reasonable that persons who control public trusts—whether religious or charitable—should be liable to render accounts of their trust to the public. I cannot understand that if the Government of India and other Local Governments and bodies are asked to exhibit their accounts before the public why the trustees of endowments and of religious charities and institutions should be exempted from this simple duty.

"My Lord, there is a general feeling in favour of the proposed law both amongst the Hindu and the Muhammadan communities. A distinguished member of the Musalman community on this side, in a letter published in the *Statesman* newspaper of the 28th February 1908, writes that 'the proposal of Dr. Ghose has the full sympathy and support of the intelligent portion of the Muhammadan community \* \* \* \*, that it will not affect the religious susceptibilities of the Muhammadans, \* \* \* that the Muhammadan community will welcome any provision in the law which would place at the disposal of Judges and the public a workable and efficient machinery for checking and

dealing with cases of inefficient administration and malversations similar to what the Muhammadan law provides in matters of public charities. Then again in the *Englishman* newspaper of the 3rd March 1908 appears a telegraphic report of a public meeting, held under the auspices of the Hindu Sabha of Lahore held there on the 2nd instant with the object of requesting this Council to accept Dr. Ghose's suggestion. It appears that one of the speakers at that meeting suggested that if an application proved frivolous and vexatious, the applicants should be made to pay the costs incurred in preparing the accounts demanded. This is a matter of detail which the Courts could fairly be left to exercise their discretion about. The Zemindars Association of Muzaffarnagar, and a public meeting of the residents of Cawnpore, as well as the United Provinces Social Conference recently held at Lucknow, have supported the proposed enactment. The Zemindars Association of Muzaffarnagar go further and wish to empower the Courts to direct a trustee to file in Court copies of the documents and papers connected with the endowed properties—an addition which I have no doubt will be considered in due course should the Bill be allowed to be introduced and referred to a Select Committee."

The Hon'ble SIR HARVEY ADAMSON said:— 'My Lord, I have a few words to add to what was said by the Hon'ble Mr. Erle Richards on this subject last week in the debate on the Code of Civil Procedure Bill. It cannot be doubted that serious abuses exist in the management of many religious endowments in India. The policy of the Government of India remains as it was, a policy of non-interference with religious endowments. The present Bill is free from objection inasmuch as it prescribes no direct interference by Government, but merely gives to the people themselves further facilities for protecting religious endowments from abuse. Any move in this direction has the sympathy of the Government of India.'

"The law as it at present stands is that in the case of an alleged breach of a trust created for religious purposes, any two persons, having an interest in the trust, may, after having obtained the consent of the Advocate General, institute a suit. When the suit has been instituted the Court has the power to require the trustee to exhibit accounts. It appears that such of the public as take an interest in the management of religious trusts have made little use of these powers, and it is said that the reason is that without seeing the accounts of a trust no one is in a position to institute a suit alleging maladministration. The Bill therefore proposes to give greater facilities in this direction by allowing any two persons who are interested in a trust and who have obtained the consent of the Advocate General, or outside the Presidency-towns of the Collector, to make an application for the exhibition of accounts.

"Before giving their final support to the Bill the Government of India desire to ascertain how these facilities are likely to be exercised. On the one hand it may be alleged that it is only right that every trustee of a public trust should be obliged to exhibit to the public the accounts of his trust. As an abstract principle it is impossible to deny so reasonable a proposition. On the other hand it may be alleged that as applied to religious trusts in India this proposition involves an innovation and a subversion of existing custom which may have far-reaching and unexpected consequences. Would the facility, a very cheap and inexpensive facility, be likely to lead to oppression, and would it be used for corrupt purposes? Is the guarantee that the consent of the Advocate General, or even of the Collector, must be obtained before making an application a sufficient guarantee that the application is made on proper grounds? Is the Advocate General in the Presidency-towns or the Collector outside in a position to determine such a question, or would he not find it difficult in most cases to refuse so apparently reasonable a request as that the accounts of a public trust should be open to the inspection of the public? Then again it is necessary to consider by what machinery and in what methods these trusts have customarily been managed by honest trustees. In India there is generally immemorial usage in such matters. How does the machinery lend itself to the exhibition of accounts? What will be the effect say on an honest manager of a temple if any two ill-wishers, prompted by improper motives, can readily

obtain consent and compel him to produce accounts of his shrine for the preceding three years, as the Bill proposes to permit? How will trustees and the general public who worship at the shrine and contribute to its endowment regard such an innovation? Can so radical an alteration of custom, applied by the force of law, be introduced without provoking a resentment which may be politically dangerous?

"Such are the points that must be elucidated before the Government of India can, with an assurance of its expediency, support the Bill. I am aware that a considerable mass of educated opinion in India supports it, but it is a subject which peculiarly touches the common people, and it is desirable to search deeper down and to ascertain the ideas of the priesthood and the people, to ascertain in short how the measure would commend itself to the great bodies of worshippers in India."

"For this reason the Government of India feel that they must hold their hand in a matter which, regarded in the abstract, has their warmest sympathy. The course which we propose to adopt is to vote, without prejudice, for the introduction of the Bill and for its publication, in order that the questions to which I have drawn attention may be examined before the Bill comes up for mature consideration."

The motion was put and agreed to.

The Hon'ble DR. RASHBEHARY GHOSE introduced the Bill.

The Hon'ble DR. RASHBEHARY GHOSE moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

#### PRESIDENCY-TOWNS INSOLVENCY BILL.

The Hon'ble Mr. H. ERLE RICHARDS said:—"It will be within the recollection of Council that last session an Act was passed to regulate insolvencies in the Mufassal; an Act which though it did not provide for every contingency and though in some respects it was incomplete, was at least up to date and effective within its limits. But the law for Presidency-towns—and for the purposes of today I include Rangoon within that term—has not yet been amended; it is still contained in the old Act for the relief of insolvent debtors enacted by the Imperial Parliament in 1848. The object of the Bill which I now ask for leave to introduce is to repeal that Act and to enact an efficient Insolvency Law for the Presidency-towns.

"My Lord, this is no new proposal; a Bill for a similar purpose was introduced in 1886 and appeared in our List of Business with unfailing regularity until a short time ago while the necessity for legislation has been pressed on Government by High Courts and Chambers of Commerce for the past quarter of a century. We cannot therefore be accused of undue haste if we now take the proposal into serious consideration.

"The history of the various attempts to reform the existing law dates back to 1870 when Sir James Stephen proposed to enact a new law for the whole of India. This proposal was thought to be too ambitious; the Mufassal was not at that time ready for a Bankruptcy law; and the Bill was dropped. But when thirteen years later proposals to make some small amendments in the Act of 1848 were circulated it appeared from the comments on those proposals that there was a widespread demand for an entirely new Act for the Presidency-towns. The matter was accordingly taken up by Sir Courtenay Ilbert, the Law Member at the time, and in 1885 a Bill was drafted and circulated, framed on the lines of the Act which had been passed in England two years before—the Act of 1883—in which the present law of bankruptcy was and still is consolidated. The opinions on that Bill show a general agreement that the Act of 1848 was out of date and in-

effective. There was, as indeed was unavoidable, a considerable difference of opinion as to details, but on the whole the Bill was favourably received. The mercantile communities of the Presidency-towns who are specially interested approved of it. The Madras Chamber of Commerce writing on the 9th September, 1885, expressed themselves in the following terms:

'The Chamber approves of the great advance that it is proposed to take in the direction of a clearly defined bankruptcy law for the trading centres of the whole country; it trusts that the Bill may become law, since it seems to the Chamber to be a very complete measure.'

"The Bombay Chamber, on the 25th November of that year, recorded that they were unanimously in favour of a new Insolvency Act. They said that the necessity of a radical reform in the Bankruptcy Law for India had long been keenly felt by the mercantile public, and had on numerous occasions been the subject of anxious consideration. That in the address with which the Chamber had had the honour to welcome the arrival in India of His Excellency the Viceroy the matter had been prominently mentioned as one of pressing importance; and that had it not become known that the Bill then under report was in preparation it had been the intention of the Chamber to memorialise Government begging that action might be taken at the earliest possible opportunity.

"The Calcutta Trades Association on the 14th of December wrote—

'It would be impossible, the Committee felt, to overrate the importance of the proposed Act to the trading community throughout India; they have consequently given to its provisions the most careful consideration, and are unanimously of opinion that the measure as a whole will afford assistance and protection to both debtor and creditor.'

"The Committee of the Bengal Chamber of Commerce on the 30th of April, 1885, recorded their opinion 'that the Bill made a much-needed improvement in the law then in force.'

"The Bill was modified in some respects to meet criticisms, and on the 20th of May, 1886, was introduced in this Council. There, for some reason which is not known, the matter seems to have stopped. Whether the legislature was engrossed in other projects or whether the very technical character of the subject chilled the enthusiasm of Council I do not know, but the only action taken was that in 1892 a Select Committee considered the Bill at one meeting and did no more, and that in 1899 a second Committee again took up the Bill and after one meeting reported that it should not be proceeded with until some modifications had been made. Since then no further steps have been taken, but in the interval the Provincial Insolvency Act has been passed with the result, as the Chief Justice of Madras has pointed out, that the Law of Insolvency is enlightened and up to date in the Mufassal, while in the Presidency-towns it continues to be antiquated and inefficient. Writing in 1902, the Bengal Chamber of Commerce again urged the matter on the attention of Government. They observed that for years past the insolvency procedure in the Presidency-towns had been regarded as most unsuited to modern requirements and conditions and greatly in need of reform. They said that the necessity for the adoption of a reformed procedure had been often pressed; that that necessity was continuing and increasing and that the Committee felt that in the public interests and in the interests of the trading community the desired amendment of the law should not be longer delayed. The same Chamber have repeated this representation in connection with the Provincial Insolvency Act.

"I think, my Lord, that I have said enough to show that in the opinion of the commercial community this legislation is needed, and I have no doubt that the High Courts will concur in that opinion. In fact our Act of 1848 is a survival of the old law partly contained in the Bankruptcy Law, partly in the Insolvent Debtors Law which was repealed in England so long ago as 1869 and was re-enacted there in an improved form in 1883. The Act gives adequate protection to debtors, but it does not give adequate powers for the realisation of assets in the interests of creditors. The protection of honest debtors should be a main object of any Insolvency Law, but consistently with that object the law should proceed on the principle that the estate is for the creditors and not for the debtor. Further than that, as I venture to suggest to this

Council, the Legislature in an Insolvency Act should recognise that the trading methods and conduct of a debtor are not matters merely between him and his creditors, but concern the interests and the welfare of the whole trading community and of the State, and for that reason should insist on enacting sufficient powers for the prevention of fraud and for the punishment of dishonest debtors.

"With these preliminary observations, my Lord, I turn to the provisions of the Bill, and I will call attention as briefly as is possible to the main lines on which it proceeds. In framing it we have had the assistance of Mr. Archibald Read, the Official Assignee of Madras, and his practical experience has been of great value. It will be found that the Bill follows generally the plan of the Provincial Insolvency Act. The difference in the conditions between the Presidency-towns and the Mufassal make it inexpedient to have one uniform Act for the whole of India at the present time: but there will be little difficulty in bringing the two Acts into complete agreement if it be thought wise to do so in the future.

"The Bill commences in Part I by defining the constitution and procedure and powers of the Court; but the provisions under this Part call for no special observations; they do not effect any change of substance in the present law.

"Part II deals with proceedings from an act of insolvency to discharge and commences with the clause defining acts of insolvency, that is, the events in which the law can be set in motion. This provision corresponds with that in the Provincial Act and is a great advance on the existing law. It gives a creditor the right of interfering at an earlier period and thus of anticipating the disappearance of assets.

"Under the existing law there are five stages in insolvency—vesting order, interim protection, further hearing, personal discharge, and final discharge. Under the Bill these will be reduced to three—hearing of the petition if opposed, public examination of the debtor, and discharge. The order of adjudication under the Bill operates of itself to protect the debtor; it is not therefore necessary to preserve the stage of interim protection or the stage of personal discharge. In regard to the order of adjudication it is to be observed that the Bill departs from the Bill of 1886 and from the English law in that it omits the preliminary of a receiving order. It is thought that this preliminary order is unsuited to Indian practice. In England it was introduced mainly on the sentimental consideration that it was a harsh proceeding to make a man a bankrupt before the Court and the creditors had determined how his estate was to be dealt with. In practice, however, the public sees no difference between a receiving order and an adjudication in bankruptcy; either procedure equally affects a man's financial credit; experience has shown therefore that there is no reason for maintaining the double system on this ground; and all practical hardship can be avoided by the clauses which provide for the annulment of the adjudication when a composition or scheme is approved of. On the other hand, a receiving order under which the property remains vested in the debtor while the control of it is vested in the official receiver gives rise to endless complications and delays. Adjudication under the Bill therefore takes place on the petition and will be made as of course on a debtor's petition and on a creditor's petition if unopposed. There is no power to dismiss a debtor's petition as a punitive measure, but the Court may withhold discharge in cases of misconduct. The provisions of the existing law relating to the filing of a schedule of debts are retained.

"The public examination of the insolvent is a cardinal feature of the scheme of the Bill; it is intended to insure the publicity of the proceedings and to give creditors an opportunity of making inquiry into the affairs of the debtor if they think fit so to do. This is taken from the English practice. The Bill further provides for compositions and schemes of arrangement, following in this the Provincial Act.

"Discharge must be withheld or suspended or made conditional in certain events, such as the misconduct of the debtor, and in this the Bill follows the English law and the Provincial Act.

"Part III of the Bill deals with the administration of the property, the proof of debts, and so on. Attention is called to clauses 43 and 44 which avoid transfers of property made by the insolvent within certain periods before the insolvency. These clauses again are taken from the Provincial Act and from the English law.

"Part IV raises the question of the person by whom estates are to be administered. In India administration must be, it is thought, by the official assignee : administration by trustees or representatives of the creditors would in all probability lead to abuses. The Bill therefore departs from the English Act on this point and enacts that estates are to be administered by an official assignee only. Under the existing law there is power for the creditors to appoint special assignees, but this power has never been used so far as can be ascertained : it is idle therefore to re-enact it. But two proposals are embodied in the Bill with the object of securing to creditors some influence in the administration : they are put forward for consideration. The first is that there should be meetings of creditors not only to consider proposals for compositions or schemes of arrangement but also to consider the insolvent's affairs and the best method of dealing with his property. This will be found in clause 23, and clause 69 specifies the extent to which the assignee is bound to obey the directions of the creditors. It will be seen that the ultimate control is reserved to the Court by the latter clause. Under the rules at present in force in Madras provision is made for similar meetings, and experience there appears to support the present suggestion. The second proposal is contained in Part V ; it is that in cases in which the Court thinks fit to do so, a Committee of inspection of the creditors may be appointed. This is new to Indian law but is thought to be worth consideration. In large insolvencies such as the recent case in Madras a power of this kind would give creditors a larger opportunity of assisting in the realisation of the estate. It will be observed that here again the powers of the Committee are made subject to the control of the Court : if the experiment is to be tried it seems wise that the Court should regulate it ; at any rate, until it has been proved by experience.

"Part VI deals with procedure in special cases and will, it is thought, be of considerable use in practice.

"Part VII contains the penalty clauses.

"In Part VIII provision is made for the summary administration of small estates.

"Part IX contains powers to administer the estate of a person dying insolvent.

"Part X authorises the Court to make rules with the previous sanction of the Governor General in Council or of the Local Government, as the case may be, and does away with the necessity of obtaining the consent of His Majesty to rules. Under this power the Courts will be able to retain the greater part of the existing rules if it be so desired.

"These, my Lord, are the main provisions of the Bill. There are other points which merit discussion, but I will not occupy the time of Council by calling attention to them on the present occasion. They are sufficiently referred to in the Notes on Clauses.

"The Bill, if it be passed, will repeal the Act of 1848 and this raises a question of some legal difficulty. Under that Act insolvency proceedings in India have force in the United Kingdom, but proceedings under an Indian Act cannot operate outside India ; we cannot legislate for the United Kingdom. It follows that if we repeal the Act of 1848 we shall lose the advantage we now have under it in this respect. We shall then be in no better position than British Colonies, and indeed in some respects we shall be in a worse position, for the title of a colonial assignee in bankruptcy in regard to assets in England may in some cases be founded on the fact that the insolvent is domiciled in the colony, whereas English merchants are not commonly domiciled in India. But it is understood that these provisions of the existing law are seldom, if ever, made use of in practice and that if there are assets in England concurrent proceedings are invariably instituted there. The loss therefore would appear to be of no practical importance. In any case it is certain that we cannot postpone the amendment of our law indefinitely in the somewhat distant hope that

Parliament may some day pass an Act to give direct effect in the United Kingdom to Indian insolvency proceedings.

"If this motion be carried, my Lord, and the Bill be published and circulated, it will, I trust, receive the careful consideration of the lawyers and the merchants of the Presidency-towns and Rangoon. It will perhaps be objected by some among them that the Bill makes too great a departure from the existing law; but I would anticipate that objection by observing that it is not possible, or at least that I have not found it possible, to build up an efficient structure on the antiquated foundation of the present Act. The Government of India agree with the Chambers of Commerce and those who were consulted in 1885 that there must be a new law. The subject is an intricate one and on points of detail there is certain to be a considerable difference of opinion, but if the main lines on which this Bill is framed are accepted, then it should be possible to come to some agreement on the less important points and to pass the Bill into law in the course of the next Calcutta session."

The motion was put and agreed to.

- The Hon'ble MR. ERLE RICHARDS introduced the Bill.

The Hon'ble MR. RICHARDS moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

The Council adjourned to Friday, the 27th March, 1908.

J. M. MACPHERSON,  
*Secretary to the Government of India,*  
*Legislative Department.*

CALCUTTA ;                    }  
The 20th March, 1908.        }



# The Gazette of India.

PUBLISHED BY AUTHORITY.

CALCUTTA. SATURDAY, MARCH 28, 1908.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## PART VI.

Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS  
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS,  
1861 AND 1892 (24 & 25 VICT., C. 67,  
AND 55 & 56 VICT., C. 14).

The Council met at Government House, Calcutta, on Friday, the 27th March, 1908.

### PRESENT :

His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Honour Sir Andrew Fraser, K.C.S.I., Lieutenant-Governor of Bengal.  
His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.  
The Hon'ble Mr. H. Erle Richards, K.C.  
The Hon'ble Mr. E. N. Baker, C.S.I.  
The Hon'ble Major-General C. H. Scott, C.B., R.A.  
The Hon'ble Sir Harvey Adamson, Kt., C.S.I.  
The Hon'ble Mr. J. O. Miller, C.S.I.  
The Hon'ble Mr. W. L. Harvey, C.I.E.  
The Hon'ble Sir Rameshwara Singh, K.C.I.E., Maharaja Bahadur of Darbhanga.  
The Hon'ble Munshi Madho Lal.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. H. W. W. Reynolds.  
The Hon'ble Mr. H. A. Sim, C.I.E.  
The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.  
The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.  
The Hon'ble Mr. Gopal Krishna Gokhale, C.I.E.  
The Hon'ble Mr. A. A. Apcar, C.S.I.  
The Hon'ble Mr. S. Ismay, C.S.I.  
The Hon'ble Maung Bah Too, K.S.M.  
The Hon'ble Mr. W. W. Drew.  
The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.  
The Hon'ble Mr. W. R. H. Merk, C.S.I.

[*Nawab Saiyid Muhammad Saiyid Bahadur; Sir Harvey Adamson; Mr. Chitnavis; Mr Harvey; Mr Miller.*]

The Hon'ble NAWAB SAIYID MUHAMMAD SAHIB BAHADUR asked :—

" Is Government aware that as a consequence of the failure of Messrs. Arbuthnot & Co., in Madras, many Government servants, who could not invest money in lands, lost all their savings ? "

" In view of the suffering caused by the said failure, will the Government be pleased to amend the Rules for the conduct of Government servants by omitting the words 'or subordinate' in paragraph 3 of rule 9 and to cancel paragraph 4 of the said rule ? "

The Hon'ble SIR HARVEY ADAMSON replied :—

" Government are aware that the failure of Messrs. Arbuthnot & Co. caused heavy losses to members of all classes of the community who had dealings with that firm.

" The question whether the rules should be revised is under consideration."

The Hon'ble MR. CHITNAVIS asked :—

" Is the Government aware that Japan supports its industries by a system of bounties, and that in consequence of such support, cotton goods, especially hosiery, made in Japan have an advantage over goods made in India in the market here ? Is the Government further aware that the large hosiery department of the Bomanji Patel Mills of Bombay has had to be closed on account of Japan underselling her goods in India ? Will Government be pleased to take such steps in the matter as will protect Indian industries from competition of this nature and equalise trade conditions ? "

The Hon'ble MR. HARVEY replied :—

" Government have no definite information regarding the first and second parts of the question, but they will make enquiries and communicate such information as may be available. Until they know the facts of the case they are unable to say whether it will be possible to take any action."

The Hon'ble MR. CHITNAVIS asked :—

" Is the Government aware that prices of plough cattle have risen abnormally all over the country during the past few years ? In view of the paramount importance of the sufficiency of cattle in an agricultural country like India, will Government be pleased to inquire into the causes of the rise, and to take adequate steps for the improvement of the stock, and thereby to remove the anxiety of the agricultural population in this respect ? "

The Hon'ble MR. MILLER replied :—

" The latest statistics available do not show that the price of plough cattle has risen over the whole of India, but it has undoubtedly risen over a great part of the country and frequently to a very great extent. The Government of India fully recognise the paramount importance of cattle to the agriculture of the country and have on that account given much attention to the development of the Civil Veterinary Department, which has already been able to do much good work in the prevention of disease. They have also made special arrangements on the occasion of droughts to prevent mortality amongst cattle from failure of the fodder supply. In 1906 the Government of India placed before Local Governments a scheme for making a complete cattle survey of India with a view to the improvement of the stock, and the proposals have in most cases been accepted in principle though their prosecution is impeded by the want of a sufficiently strong and well trained staff. The Government of India must leave it to Local Governments to carry out this enquiry. They do not consider that any separate enquiry is necessary."

## FINANCIAL STATEMENT FOR 1908-1909.

[*Nawab Saiyid Muhammad Sahib Bahadur.*]

The Hon'ble NAWAB SAIYID MUHAMMAD SAHIB BAHADUR said:—"My Lord, the principal feature of the Financial Statement presented to this Council is an attempt to grapple with the famine which has unfortunately appeared in the country. The disaster is not so great as in 1896 and 1899, but still it is sufficiently serious and extensive to give rise to considerable anxiety and to necessitate large suspensions of revenue. The experience of previous famines has been utilised to adopt early and effective measures to afford relief and to help the agricultural classes to resist the terrible affliction that has befallen them. The tract most seriously affected is the United Provinces, and the Government of Sir John Hewett is to be warmly congratulated on the prompt and energetic measures taken to prevent suffering and distress, and the takavi advances have been more liberal than in the previous two famines. I am glad that the Hon'ble the Finance Minister recognises the energy and determination with which the people have themselves faced the calamity. Not only so, but the patience and resignation with which they submit to suffering and distress are worthy of all admiration. Taking the most hopeful view of the situation and noting the fact that the more painful conditions associated with the prevalence of distress are absent, the position is still very grave, and it will be very creditable to the Administration if loss of life in areas where the distress is acute, is averted.

"I gratefully recognise the measures that have been taken to relieve suffering and to help the people to tide over the calamity, but I regret that the Statement makes no mention of what has been done to save agricultural cattle, which are so essential to cultivation. It may happen that the agriculturist who is helped or relieved by the State may lose his cattle and in the next sowing season may not have the wherewithal to buy fresh animals. One way of preserving cattle to a certain extent when fodder becomes scarce is to relax the rules that regulate grazing in the forest reserves as far as may be possible, consistently with silvicultural interests. I believe something in this direction has been done by the Local Governments concerned, but the departmental rules are far too rigid and enforced with little regard to agricultural interests. The Madras Government in reviewing the last report of the Forest Department deprecates the attempt to estimate the quality of the work in different districts by the percentage of convictions obtained. It is to be feared that this is the standard of efficiency everywhere. I would, therefore, suggest that just as revenue is suspended or remitted and takavi advances given to help the agricultural population, so should the forest-rules be suspended when fodder is scarce and the utmost latitude allowed for cattle-grazing.

"My Lord, these are but palliatives. The permanent causes of poverty and economic indigence of the people remain, and challenge scrutiny. If I may adopt one of Lord Curzon's phrases, it is a baffling, without being a hoary, enigma. But I cannot believe, my Lord, that the Government is unable to solve this problem of recurring famine and perpetual indigence. The position has become acuter of late years, in consequence of the depreciated purchasing power of the rupee. I do not know whether grain compensation allowance is destined to play as demoralising a part in Indian finance at the present day as falling exchange did in the nineties of the last century. However that may be, the fact remains that the Hon'ble the Finance Minister is faced with a situation that his predecessors in 1896 and 1899 had not to face, namely, the rise in prices, which indicates a position worse than that of periodical famine, in that it is normal and ever present, and which the Imperial and all Provincial Governments recognise, casts on them a new responsibility with respect to a numerous class of public servants. As against the perfection of the machinery which the Government is in a position to set working against purely famine conditions, we have this disturbing element of normal high prices. I trust that this aspect of the matter has not been lost sight of by the Hon'ble the Finance Minister.

[*Nawab Saiyid Muhammad Sahib Bahadur.*]

"It is a point worth considering in this connection whether the Government of India can afford to remain indifferent to schemes of permanent utility and promotion of material prosperity of the people. The Government of India has not yet formulated a scheme of technical education that would provide sufficient scope for the employment of the art san classes. The great principle, my Lord, upon which I take leave to lay special emphasis is this, that simultaneously with the initiation of measures of agricultural education and experiment, Government (no matter whether through Imperial, Provincial or local agency) should undertake a no less intensive than extensive scheme of technical education. My Lord, the attempts made in this direction have been local in their origin, spasmodic in their working and inadequate in their results. I venture to think that the necessities of the situation call for an entire reversal of the policy which has hitherto found favour with the Government. Progress of a sort is being made in different provinces, but its superior financial position enables or ought to enable the Government of India not only to lead and direct local activities but also co-ordinate local efforts. While certain provinces have progressed more than others in the matter of preparation and preliminary work, others have lagged behind; so much so, my Lord, that provincial advance has run on somewhat indifferent lines. Even in the case of more advanced of the provinces in the matter of industrial education, it is open to question whether their individual progress is not retarded by the Imperial *vis inertia*. Therefore, my Lord, it seems to me highly important that a scheme should be matured, which, while stimulating provincial activities, would at the same time co-ordinate industrial effort so as to promote the best interests of industrial progress.

"In view of the present financial position, I am not disposed to dwell upon the absence of any provision for the advancement of primary education, but it is not too much to hope that the Imperial Government's circular letter to the Local Governments will result in a large and beneficent scheme of primary education being adopted in the near future.

"My Lord, closely allied with the progress of whatever schemes of primary or technical education, or indeed of famine relief, legislative improvement or constitutional change is the need of large measures for the improvement of public health. While welcoming the small grant which Government has made for sanitary improvement, I trust I shall not be deemed ungrateful if I say that 30 lakhs of rupees seems utterly inadequate for the needs of the country. I welcome it, however, as an example of Government's good intentions. I hope also that the new departure in Imperial policy will stimulate the liberality of Provincial Governments in future if not at present. The condition attached to the Imperial assignment of 30 lakhs of rupees implies that the Imperial Government is disposed to view the execution of sanitary measures for the prevention of plague as even more important than for other purposes. There are parts of the country in which malaria and fevers are causing a greater loss of life than plague, and in which the execution of large water-supply and drainage schemes are imperatively called for. I hope the condition attached to the assignment will be liberally interpreted so as to permit the utilisation of the grant according to the special needs and circumstances of the different provinces.

"Speaking from a purely financial point of view, I am constrained to repeat my observations at the last Budget debate with reference to the subject of reduction of expenditure. As I said last year, the need for judicious economy in expenditure is becoming greater year after year. I fail to see any well-directed effort to promote retrenchment, whilst on all sides the tendency is to increase expenditure.

"Considering the heavy call on the resources of the Government and the temporary or permanent abandonment of a large portion of revenue, it is not to be wondered at that the Hon'ble the Finance Minister is not in a position to announce any remission of taxation or any expensive scheme of administrative improvement; rather is he to be sympathised with in his efforts to maintain a state of financial equilibrium.

"Nothing can be more emphatic proof that the former rate of duty on salt pressed heavily upon the people than the remarkable increase in consumption

[*Nawab Saiyid Muhammad Sahib Bahadur ; Maung Bah Too.*]

since the reduction of the duty. The Hon'ble the Finance Minister is of opinion that even with a great increase in consumption the former revenue from salt is not likely to be realised, but the money has been well lost and the sacrifice has been made in the true interests of the people. In the interesting statement that he makes to show that even in European countries the State derives a revenue from salt, and the system is not confined to India, the Hon'ble Member, I may say, has omitted to mention the comparative incidence of consumption per head of population in those countries and India. That would have been more instructive and would have enabled us to judge whether the people of India even now get a fair share of salt in ordinary times.

"The contraction in the opium revenue, already foreshadowed, has actually commenced in the present Statement, and the probability is that with the co-operation of the Chinese Government the opium habit among the Chinese people will gradually become extinct. The surrender of revenue on the part of the Government of India will be large, but not sudden, and there will be ample time to readjust the resources and expenditure so as to eliminate the revenue from opium. In the Hon'ble the Finance Minister's words, this money also will be well lost and will have the sanction of the highest morality."

The Hon'ble MAUNG BAH TOO said :—“ My Lord, on behalf of the people of Burma, I must acknowledge with gratitude the annual grant of three lakhs from Imperial to Provincial funds for sanitary measures in large towns. The contribution is most acceptable and can be used to great advantage. The need of assistance to municipal and town funds in carrying out schemes of water-supply and drainage has long been recognised. The help now afforded will enable Government to grant substantial assistance towards these objects.

“ I welcome the opportunity of making a few remarks on matters connected with the interests of the Province which I have the honour to represent. When the Budget of 1907-1908 was under discussion, my predecessor, Mr. Hall, commented on the terms of the settlement recently made by the Government of India for the distribution of the revenues and expenditure of Burma between Imperial and Provincial funds. He represented that sufficiently liberal terms had not been accorded and that sufficient provision had not been made for the expansion of that young and vigorous Province. Your Excellency has recently visited Burma and you have seen with your own eyes its needs and capabilities. The people of Burma welcomed Your Excellency with loyalty and enthusiasm; and, speaking on behalf of the people of Burma, I can say that their enthusiasm was genuine and uninspired and that they regard Your Excellency's visit as a great event in their history. I venture therefore to ask for Your Excellency's sympathy with my plea.

“ As was foreseen and represented by the local authorities, the allotment for public works in the new settlement is entirely insufficient. Prices of labour and material are very high; and, as Your Excellency has seen, the Province is exceedingly ill-equipped with roads and buildings. The backward state of communications is a standing reproach. The needs of the Province are many and it is impossible to expect the revenue to go on increasing by leaps and bounds. An unfavourable season, such as that of the current year, in parts of Upper Burma, sets back the growth of revenue and reduces the Provincial finances to a serious state. Of one great item of revenue, the export duty on rice, which, by the way, is not levied on rice exports to other parts of India, the Province gets no share. All of it goes to Imperial revenues. There are no accumulated balances on which to draw. The Budget of the coming year provides only for the exact minimum closing balance; and I am informed that the Budget of the Public Works Department provides nothing for new works. The whole of the funds available will be absorbed by repairs and maintenance and works in progress. In these circumstances, I venture to ask the Hon'ble the Finance Member to consider the possibility and expediency of making a further substantial annual contribution from Imperial Funds to the Province of Burma to meet absolutely necessary expenditure.

[*Maung Bah Too ; Mr. Apcar.*]

"I desire also to urge most strongly the claims of the Province to a substantial allotment for railways. At the present time, the only railway line in progress is that from Henzada to Kyangin, and, owing to lack of funds, its progress is slow indeed. Yet there are many projects which should be carried out at an early date. There is the all-important line to the Southern Shan States; there are lines in the Delta of the Irrawaddy; there is a line from Akyab to Chittagong with eventual connection between India and Burma. These are the most important among many proposed railways. I trust that in the distribution of available funds Burma will not be overlooked, but that a substantial allotment may be made for new lines and that at least one important work, preferably the Southern Shan States line, may be begun next open season.

"In conclusion, I beg to say that Burma yields to no Province of the Empire in loyalty to the British Crown and in appreciation of the benefits of settled Government. She has a special claim to the consideration, care and sympathy of her rulers."

The Hon'ble MR. APCAR said :—"My Lord, as regards Railways and Railway Finances, I have to congratulate the Hon'ble Member on the fact that he was able after all to provide 15 crores for Railway Capital Expenditure during 1907-1908 and on his having provided for a 15-crore programme for 1908-1909. At the same time it is to be regretted that there should have been any question as to whether this amount of money would be provided or not. The uncertainty as to what funds will be available for each Railway over a series of years must greatly increase the difficulty of the Railway Administrations in providing adequate facilities to meet the expansion of trade and must also prevent the best use being made of the money. The inability of open lines to deal with the traffic which some years ago was expanding rapidly and which is still expanding, and which I believe will continue to expand at an equal, if not greater, ratio, is largely due to the short-sighted policy of the past. That the Railway Board have now seen their way to provide for expenditure on open lines to the extent of 601½ lakhs and also a sum for rolling-stock to an extent of 574½ lakhs is satisfactory. I only hope that these sums are sufficient, but I fear they are not, for there is still a very great amount of leeway to be caught up on account of the policy which existed during previous years. With a rapidly increasing trade, works designed as sufficient for what is called the immediate future are often already almost insufficient as soon as the works are completed. I have said I believe that it is the mistaken policy in the early years of this century, when the demands of the Railway Administrations for open line works were criticised and cut down to meet immediate requirements, which is accountable for the difficulties which are now experienced in dealing with the present traffic. Although I rejoice to see that the 15-crore programme is to be worked to for 1908-1909, I believe that it is extremely doubtful whether a 15-crore programme is sufficient and whether we do not now require for the Railway works in India a 20-crore or even a larger programme.

"With reference to the Revenue Accounts, although these accounts have not shown such a large surplus during 1907-1908 as was anticipated, yet there is a satisfactory surplus and the Railway property of the Government of India is a most valuable asset. During the coming year the nett receipts are estimated at a slightly larger figure than during the past or present year. It is evident that gross receipts are steadily increasing, and though there is a tendency for working expenses to increase at a faster ratio than the receipts, this is not to be wondered at, since in addition to the Capital Charges a considerable proportion of the expenditure necessary to bring the existing lines up to a standard to meet increased traffic is charged to Revenue Working Expenses. The satisfactory movement in recent years towards lowering rates and fares must also be taken into account. We have seen reduced fares introduced on the East Indian Railway and other Railways, extra concession given for weekend tickets and other holidays. We have also recently seen large reductions in rates specially in connection with long distance coal traffic. With the

[*Mr. Apcar.*]

reduced rates and freight charges which are developing the resources of the country and a heavy revenue expenditure in improving the facilities on open lines and with the largely increased price of coal, I consider that the increase in the ratio of working expenses to receipts is not surprising and is only what may be expected.

"I greatly regret that Sir James Mackay's Committee were unable to visit India and consult personally with the Chambers of Commerce regarding Railway Finances and other matters. I believe, however, that most Chambers of Commerce in India have reported in favour of the separation of the Railway Finances from the General Finances of India, so that the funds necessary for Railway development may be raised to a greater extent than formerly on the security of the Railway property. Sundry suggestions have been made that the Railways should all be worked by the State, but I believe such views are only held by a small section of the public and that the general opinion would be that, as Government in the past have been unable to supply funds to the extent which our Railways have undoubtedly required, the working of the Railways by Companies should be further extended and that such Companies should be granted facilities to raise funds for the development of their lines as required from time to time.

"In my remarks last year on the Budget I referred to the fact that two engineering firms in Calcutta had recently put down wagon-contracting plant, and I urged that every encouragement should be given to them to extend their works, especially as a large percentage of the expenditure on rolling-stock is for labour, which sum might very well be expended in the country. I regret to learn that these works have not at present got sufficient orders and that they may have to reduce their establishment. I hope that steps will be taken to obviate this and to ensure that a steady flow of works should be given to those who by their enterprise have started wagon works in India.

"I would desire to refer to the question of the construction of new lines. This I thoroughly agree must be subservient to the requirements of existing lines, and the Railway Board with the limited resources at their command have undoubtedly acted wisely in fixing the allotment for new lines at a very small figure. The necessity for this is to be regretted, and in the interests of India as a whole and in the interests of trade I would have been glad to see a very much larger allotment had funds permitted of it. However small the sums available for new lines, I consider that the Sara Bridge Project should have found a place in the allotment for new works. The commercial community of Calcutta consider that this is the most urgent undertaking and cannot but look with amazement on the fact that this project, which has been urged by the Chamber of Commerce and the Calcutta community for years, has not yet received sanction of Government. So much has on former occasions been said as to the necessity for this urgent work, and seeing that the Commission appointed to report on it most strongly advised more than a year ago that the work should be undertaken without delay, that it is a matter of great surprise that even with the small sums available for new construction a grant should not have been given for the Sara Bridge.

"The necessity put forward for starting the Nagpur-Itarsi is on account of famine conditions. Still I consider that this line, which is estimated to cost 410 lakhs, might well have waited till the completion of the Sara Bridge Project.

"As regards the allotment for a short line of 44 miles to serve Messrs. Tata's Iron and Steel Works, I believe that the construction of this work must be undertaken at once to comply with an undertaking given that a branch line to the Iron Ore deposits would be made by the Bengal-Nagpur Railway as soon as the Capital required by the Tata Iron and Steel Works for the construction of the works had been subscribed.

"The establishment in India of large iron and steel works with capital raised in this country is in the best interests of India, and the enterprise should receive every reasonable encouragement.

[[*Mr. Apcar.*]]

"Another matter that is in the nature of hope long deferred is the Calcutta Improvement Scheme. My Lord, what am I to say about this that I have not said before, both here and in other places? The state of Calcutta and the necessity for improvement have been before the Government for the last quarter of a century. Ten years ago a Medical Board was appointed for the purpose of checking the spread of the plague.

"In exercise of the powers then delegated to them, the Board deputed six Medical Officers to make a sanitary survey of the town and suburbs of Calcutta with reference to certain points indicated for enquiry. The reports of these officers disclosed an appalling state of things; but I do not propose to drag the Council through all this mire. I will merely read a summary which omits the detailed horrors of the reports:—

- (i) *Overcrowded and badly built houses.*—In many parts of the town and suburbs they found that both *pakka* houses and bustee huts were dangerously overcrowded, and were built in a manner which rendered proper ventilation and efficient conservancy almost impossible.
- (ii) *Defects of public latrines.*—The public latrines and urinals were in many cases faulty in construction; they were imperfectly cleaned and their number was insufficient to justify even a limited application of the penal provisions of the law in regard to nuisances.
- (iii) *Defects of private latrines.*—The private latrines were in many cases so constructed that they could not be properly cleaned, nor could the Conservancy Officers get access to them; and consequently many of them were choked with accumulations of filth.
- (iv) *State of house-drains and down-pipes.*—The house-drains and down-pipes were in many cases broken, choked, and out of repair.
- (v) *State of surface-drains.*—The surface-drains were blocked with foul matter, latrines were allowed to discharge into them, and the drains themselves were often used as latrines.
- (vi) *Neglect of road-scavenging.*—The scavenging of the roads was imperfectly carried out, the staff was inadequate for the work, and the subsoil had become dangerously polluted.
- (vii) *State of compounds and courtyards.*—The condition of the compounds and courtyards of houses was in many cases extremely filthy.
- (viii) *Pollution of wells.*—Wells in courtyards were contaminated by the percolation of sewage impurities from the soil.
- (ix) *State of cowsheds and stables.*—Cowsheds and stables were situated in thickly populated places, their construction was faulty, they were greatly overcrowded, and their flooring was soaked with sewage which polluted the wells on the premises.
- (x) *State of hackney carriage stands.*—The number of hackney carriage stands was wholly insufficient to meet the current requirements of the town, and they were imperfectly flushed and cleansed.
- (xi) *Condition of bustees.*—Most bustees were badly drained and imperfectly ventilated, the huts were too close together, the latrine arrangements led to the pollution of the soil, the roads and lanes were too narrow, and conservancy was imperfectly carried out.

"On these reports the Chamber of Commerce observed in a letter signed by the late Mr. Clarke:—

"No one can rise from even a cursory perusal of these reports without having the conviction forced upon the mind that there exist in Calcutta conditions of insanitation which constitute a permanent and standing threat against the health of the inhabitants and the prosperity of the city. This would be sufficiently serious if it concerned Calcutta alone, but the Committee cannot blind themselves to the position which Calcutta occupies with respect to the rest of the province and to India generally. It is in a special sense the point to which all classes throughout the country are attracted, and from which they are dispersed over immense areas, either in the pursuit of business or in obedience to the impulses of religion. Further, the enormous and widely distributed trade of the city makes the health of the inhabitants a matter of constant interest over almost the whole of the world. When viewed in this manner, the state of the city, as disclosed by the Report of the Medical Boards, calls for more than the attention of the Municipal Commission entrusted with the ordinary care of the City; it is a matter which concerns not only the Government of Bengal, but the Supreme Government, and it is sure, the Committee think, to attract very special attention in England, as well as in other countries."

"The description given by the Sanitary Officers of the condition of parts of Calcutta was borne out by the personal observation of the members of the Board, all of whom, with the exception of the native member, who was in bad health, visited the streets and houses, the conservancy of which had been most conspicuously neglected. The reports were also confirmed in the fullest detail and supplemented in innumerable similar instances by the

[*Mr. Apcar; Mr. Gokhale.*]

reports and evidence of Dr. Banks, who had large experience of practical sanitation as Civil Medical Officer of Puri, and was for this reason selected by the Lieutenant-Governor for the post of the Chief Superintendent of Conservancy in Calcutta, a temporary appointment, the Chamber observed, sanctioned by the Commissioners early in October, 1896.

"These evils are no new things in Calcutta. They had for the most part been discovered, although not so fully set forth, by Mr. Beverley's Commission in 1884. But they are a far greater danger to the town now than they were then. For in the meantime the relations of Calcutta to the commercial world at large have been drawn materially closer, and the sanitary condition of the City attracts and promises to continue to attract the critical attention of foreign nations to a large and increasing extent. This is due to two causes—the great extension of communications which has taken place throughout the world, and which, as Bombay, the Punjab and the North-Western Provinces now know only too well, facilitates the conveyance of infectious diseases from one country to another, and the growth of the science of bacteriology, which traces disease to microscopic organisms and seeks to ascertain the conditions which govern the development of these organisms and their transmission from place to place. It follows further that as the interests threatened are in the first instance those of the foreign trade, not of Calcutta only, but of the whole of Northern India and Assam, the time has come for the representatives of the commercial community to take an active part in the administration of the City. I say in the first instance advisedly, for there is no interest in Calcutta that must not stand or fall with the commerce of the town. Commerce has made Calcutta: when commerce deserts it, house-property will dwindle in value, lawyers will lose their clients, schools their pupils, and Calcutta will become a city of the dead."

"These were Sir Herbert Risley's remarks in the Bengal Council on the 19th March 1898. My Lord, I can add nothing to them. The state of things then disclosed has remained the same for ten long years. I would ask how much longer is this to continue and how much longer are we to have the stereotyped reply of the Home Member that 'there is every prospect of the scheme for the improvement of Calcutta soon coming to a successful issue.' These were the words used by the Hon'ble the Home Member exactly twelve months ago. May I ask if the word 'soon' is understood by Government to mean something different to the ordinary acceptation of the word?"

The Hon'ble Mr. GOKHALE said:—"My Lord, I confess it was with a sense akin to relief that I read the opening paragraphs of the Statement which the Hon'ble Member has laid before the Council this year. Direct expenditure on famine relief is a fair test of the extent and intensity of a famine. And judged by this test, the calamity that has overtaken the country again this year, though undoubtedly very great, is still not so appalling as the famines of 1877 or 1897 or 1900. The famine of 1877 cost the State for purposes of direct relief a sum of  $7\frac{1}{2}$  crores of rupees; that of 1897 also cost nearly  $7\frac{1}{2}$  crores; while in 1900 the amount expended exceeded  $9\frac{1}{2}$  crores. Compared with these figures, one feels thankful that this year's famine will not require more than two crores for direct relief. Of course this is on the assumption that the next rainfall will be normal, and for the present one can only hope that it will be normal. Meanwhile it is a pleasure to acknowledge the manner in which the Government is endeavouring to meet the distress everywhere. By far the largest area affected is in the United Provinces, and these Provinces are fortunate in their present ruler. I am sure Sir John Hewett's famine administration will be remembered as gratefully as that of Sir Antony MacDonell in the same Provinces in 1897, and of Sir Andrew Fraser in the Central Provinces in 1900.

"I am not sure that the Hon'ble Member is quite correct when he says that the financial position of this year is stronger than that in 1900-1901. It is true that Mr. Clinton Dawkins had budgeted in 1900-1901 for only a small surplus of £160,000, while the Hon'ble Member estimates the surplus for the coming year at £571,500. But in the first place Mr. Clinton Dawkins had closed the year 1899-1900 with a surplus of over 4 crores of rupees, after finding over three crores for famine relief in that year, whereas the Hon'ble Member, who has been called upon to find during the current year not more than 77 lakhs for famine relief, closes the year with a surplus of 35 lakhs only. Even this surplus of 35 lakhs is more apparent than real. It is a surplus in the accounts of the Government of India. But as the Provincial Governments have during the

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year depleted their balances by about  $1\frac{1}{2}$  crores, the net result of the year's revenue and expenditure transactions for the country as a whole is a deficit of about 115 lakhs and not a surplus of 35 lakhs. Again, though Mr. Clinton Dawkins had estimated the surplus for 1900-01 at about 24 lakhs, the actual surplus realised at the end of the year turned out to be over  $2\frac{1}{2}$  crores, or ten times the modest figure budgeted for, and this after spending over  $6\frac{1}{2}$  crores on famine relief. On the other hand, the Hon'ble Member provides only 130 lakhs for famine relief during the coming year and he budgets for a surplus of 85 lakhs, against which we have a further depletion of cash balances by Provincial Governments to the extent of 79 lakhs. This does not show that the financial position today is stronger than it was eight years ago. Of course the level of taxation has been lowered since 1900, but that does not alter the real character of the comparison.

"There is one observation of the Hon'ble Member on the subject of this year's famine to which I deem it necessary to take strong exception. The Hon'ble Member points out that the number of those who are in receipt of State relief this year is smaller than on the last two occasions, and he regards it as a reasonable conclusion that this is partly due 'to the greater resisting powers of the people.' Now, my Lord, I think the facts which the Hon'ble Member himself mentions in his statement—*viz.*, that the failure of crops has been less extensive and less complete this time than in 1897 or 1900, and that takavi advances have been made far more liberally and far more promptly than before—are in themselves quite sufficient to explain the difference in the number of applicants for State relief. Considering the extent of the area affected, the depth of the distress caused, and other circumstances of this year's famine, I venture to think that one and a half millions is not at all a small number to be in receipt of State relief at this time of the year. I can assure the Hon'ble Member that no one will be better pleased than myself if the Government of India will order a regular and careful enquiry into the condition of a few typical villages so as to ascertain whether 'the resisting powers of the people' are increasing or diminishing. The Famine Union in London has been demanding such an enquiry for a number of years, and not a few distinguished names in England have associated themselves with this demand. But the Government of India, for reasons best known to itself, shrinks from such an investigation. That being so, I think the Hon'ble Member is not entitled to deduce such a conclusion from such slender premises in so important a matter. The Famine Commission of 1898 tried in the course of their enquiries to collect some evidence on this subject. And their conclusion, which I think still holds good, is worth quoting. After referring to certain classes, whose condition, in the opinion of the Commission, had probably improved, they observe:—

'Beyond these classes, there always has existed, and there still does exist, a low section of the community living a hand to mouth existence, with a low standard of comfort and abnormally sensitive to the effects of inferior harvests and calamities of season. This section is very large and includes the great class of day labourers and the least skilled of the artisans. So far as we have been able to form a general opinion upon a difficult question from the evidence we have heard and the statistics placed before us, the wages of these people have not risen in the last twenty years in due proportion to the rise in prices of their necessities of life. The experience of the recent famine fails to suggest that this section of the community has shown any larger command of resources or any increased power of resistance. Far from contracting, it seems to be gradually widening, particularly in the more congested districts. Its sensitiveness or liability to succumb, instead of diminishing, is possibly becoming more accentuated, as larger and more powerful forces supervene and make their effects felt where formerly the result was determined by purely local conditions.'

"As regards small cultivators, who, after this class, suffer most from famine, I do not believe they have as yet had time to recover from the terrible effects of recent famines. It should be remembered that the losses of the peasantry during the last two famines in crops and cattle have been estimated at 300 crores of rupees. In Bombay, during the last 12 years, only two years have been free from any expenditure on direct famine relief. The Central Provinces have fared almost as badly. In the United Provinces the present famine comes after only a year's respite to the people, as the year before last was also a year

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of famine. In Bengal too, the seasons latterly have not been very favourable. Then over the greater part of the area affected by recent famines, the ravages of plague have been added, and these ravages have meant not only a frightful loss of life, with vast mental anxiety and suffering, but also heavy losses of resources to the poorer classes, whose daily life, wherever the plague rages, is disorganised from four to six months every year. It is true that certain sections of the community—those engaged in textile industries for instance—have recently had a brief spell of prosperity and the newly awakened enthusiasm for industrial development in the country has also had a beneficial effect. But this, I fear, has not made any difference to the bulk of those who go down the precipice at the first touch of famine—barring probably weavers, mill-hands and other workers in factories, and certain classes of small artisans.

"My Lord, the high prices which have been ruling in the country for some time past, independently of the present famine, and which have caused acute and widespread suffering, have naturally attracted general attention, and I was glad to hear the Hon'ble Mr. Miller state the other day in reply to a question by my friend Mr. Chitnavis that the Government was considering the advisability of referring the whole question to a Committee for inquiry. I earnestly trust that a strong Committee will be appointed, and that as early as may be practicable; for, apart from the distress which high prices must cause to those whose incomes do not rise with the rise in prices, the situation suggests certain disquieting considerations, which require a close and careful examination. It seems to me, my Lord, that the phenomenally heavy coinage of new rupees during the last few years by the Government has something to do with this general rise in prices. Really speaking, the artificial appreciation of the rupee by the currency legislation of the Government should have brought about, after things had time to adjust themselves on the new basis, a general fall in prices in this country. In the first few years after the closing of the mints to the free coinage of silver, this tendency was counteracted by a succession of famines and scarcities, and probably in a smaller measure by hoarded rupees having come into circulation. Latterly the general rise, which has taken place in the gold prices of commodities all over the world, has no doubt helped to raise prices in India. But this can account for only a part of the rise that has taken place in this country, and we must look for other causes to explain fully the extraordinary phenomenon we have been witnessing for some time past. I think some light is thrown on the problem by an examination of our coinage statistics. The following figures give the annual average of rupees coined, *minus* old rupees recoined by the Government of India, for each decade from 1834 to 1893, when the mints were closed to the free coinage of silver, and for the years following the passing of the Act of 1899, when coinage operations on a large scale were again resumed. The period from 1894 to 1899 is omitted because during the first three years of that period no new rupees were coined at all, and during the next three a very small number—only about two crores in all—was coined.

"Period (annual average for).

Crores.

1835-44	.	.	.	.	.	.	.	.	2·2
1845-54	.	.	.	.	.	.	.	.	2·4
1855-64	.	.	.	.	.	.	.	.	8·2
1865-74	.	.	.	.	.	.	.	.	4·8
1875-84	.	.	.	.	.	.	.	.	6
1885-93	.	.	.	.	.	.	.	.	8·3
1900-1904	.	.	.	.	.	.	.	.	8·3
1905-1907	.	.	.	.	.	.	.	.	20·7

"I have not been able to obtain the figures of rupees recoined during the last period, *i.e.*, from 1905 to 1907. I do not think, however, that these figures have been large and the deduction to be made on their account from the average will not, I believe, be substantial.

"Prior to 1893, the melting back of rupees into silver by those who needed silver prevailed on a large scale in the country, and it has been estimated that

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about 3 crores of rupees must have been so melted annually. Since the currency legislation of 1893, this melting has had to cease, owing to the great difference between the token value and the intrinsic value of the rupee. The stock of rupees in existence in India before 1898 was estimated by Mr. Harrison, the expert, at 130 crores. During the last ten years, the Government has made a net addition to this stock of over 100 crores. It seems to me that such a sudden inflation of the country's currency is bound to result in a general rise of prices. It may be said that in view of the great expansion of trade during the last few years and of the increased industrial activity of the country, such augmentation of the currency was necessary. A reference to trade returns, however, does not support this view. During the 20 years preceding the closing of the mints, our exports of merchandise advanced from 54 crores to 106 crores, i.e., doubled themselves, and yet the average annual coinage only advanced, as shewn above, from 6 crores to 8·3 crores during that time. Again, from 1894 to 1904 the exports rose from 106 crores to 157 crores, but the annual average coinage for the five years ending 1904 was just the same as that for the eight years ending 1893, viz., 8·3 crores. It is therefore difficult to see why the average should have suddenly gone up from 8·3 crores to 20·7 crores during the last three years. What is probably happening is this. The rupees issued by the Government in response to the demands of trade go into the interior and spread themselves among those from whom purchases are made. But owing to various circumstances they do not flow back quickly to centres of trade or to banks, and thus new rupees have to be obtained for transactions for which old rupees might have sufficed. Meanwhile, the melting back of rupees into silver having ceased, every issue becomes a net addition to the volume of the currency. If this analysis of the situation is correct, it suggests a grave problem, for it means that prices will tend to rise still further. One effect of these high prices, due to a heavy augmentation of the currency, will be to discourage exports and to encourage imports. Another effect will be that whatever gold there is in general circulation in the country—I understand that it is about 12 millions—will be drained from the country. A third effect will be that the cost of production will rise owing to a rise in the cost of living and this will place indigenous industries at a disadvantage in their competition with foreign products. Whether the foundations of the currency system will be involved in the general disturbance that will thus be caused, it is difficult to say. But it is not improbable that an economic crisis, causing great suffering to large numbers of people, may arise, necessitating urgent remedial action at the hands of the State.

"The Hon'ble Member gives an interesting table in his statement to compare the incidence of the salt-duty in this country with what it is in some European countries. Now in this matter of the salt-tax, the people of this country will always remember with feelings of gratitude the Hon'ble Member's tenure of office as Finance Minister, for he has given us two successive reductions of the salt-tax, which is more than any of his predecessors ever did. But, though his hand has given us the relief, his head, if he will permit me to say so, seems still to be under the influence of orthodox official ideas; and in the table compiled by him I detect a lingering feeling of regret that the Government should have sacrificed so much revenue to lower a duty which after all did not press heavily on the people! Now, in the first place, it is necessary to remember that our complaint about the burdensome nature of the salt-tax was with reference to the old level of the duty and not its present level. Secondly, before the Hon'ble Member's comparison can pass muster, it is necessary that he should give us separately the rates of the excise-duty and the import-duty on salt in those countries which he mentions; for when a country has a strongly protectionist fiscal system, heavy import-duties may exist side by side with light excise-duties. And, thirdly, to gauge correctly the comparative pressure of a tax in different countries, we must take into account not merely the amount of the tax paid per head in each country, but also the ratio of that amount to the average income per head. So judged, the salt-tax will be found even today to press more heavily on the people of India than any other people, except those of Italy, as the following table will show. In this table I

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have taken the figures of average income per head for the five European countries mentioned by the Hon'ble Member from Mulhall's Dictionary of Statistics. For India I have taken Lord Curzon's figure, though it is clearly an over-estimate:

Country.	Annual income per head.	Salt-duty per head in terms of a day's income.
		£
France . . .	25·7	½ day's income. *
Germany . . .	18·7	1 day's ,,
Italy . . .	12	4 days' ,,
Austria . . .	16·3	1½ days' ,,
Netherlands . . .	26	½ day's ,,
India . . .	2	2 days' ,,

" Since the Hon'ble Member is in a mood to appreciate comparisons between India and European countries, I venture to present to him another table, and I respectfully trust that he will find it not only interesting, but also instructive ! It is a table giving the State expenditure on education in the five countries selected by the Hon'ble Member for comparison and in India :

Country.	State expendi- ture on edu- cation per head.	s. d.
		s. d.
France . . . . .	5 4	
Germany . . . . .	4 0	
Italy . . . . .	1 8	
Austria . . . . .	2 4	
Netherlands . . . . .	4 3	
India . . . . .	0 1½	

" My Lord, I am glad that the accounts of the Local Boards have at last been separated from those of the Government in the Financial Statement. I wish the Hon'ble Member had at the same time carried further his reform of last year of dealing with Railway and Irrigation figures. He admits the anomaly of treating the two sets of figures differently. He admits also that it would be desirable to deduct the amount of interest from these figures from both revenue and expenditure sides. But he fights shy of a large minus entry which would result from the adoption of this course, though there are minus entries in several other places in the Financial Statement. Well, I can only hope that some future Financial Member will take a different view of the matter. Strictly speaking, it is not only Railways and Irrigation, but also Post, Telegraphs and Mint, that is, all our commercial and *quasi-commercial* services, that must be taken net, if an erroneous idea of our real revenue and expenditure is to be avoided. Also Assignments, Compensations, Refunds and Drawbacks must be deducted from the revenue of the major heads, and advances to cultivators and cost of manufacture in connection with opium must be deducted from the so-called Opium revenue. And on the expenditure side the Interest on Ordinary Debt must be taken net. I venture to think that if our accounts are presented in this manner, they will convey a far more correct idea of our real revenue and expenditure than

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is done at present. Thus re-arranged, the figures of the budget for the coming year will appear as follows :—

## Revenue (in millions sterling).

Major Heads	45.98
Commercial and quasi-commercial services	3.29
Departmental Receipts (Civil, Miscellaneous, Public Works other than Railways and Irrigation, and Military)	2.92
TOTAL	52.19

## Expenditure (in millions sterling).

Charges for collection of revenue	6.04
Interest	.72
Salaries and expenses of Civil Departments	14.04
Miscellaneous Civil charges	4.62
Famine Relief and Insurance	1.53
Other Public Works	4.45
Military charges	20.75
TOTAL	52.15

Deduct portion of Provincial expenditure defrayed from  
Provincial balances

TOTAL	51.62
Surplus	.57

"Of course I recognise the difficulty of making radical alterations in old and long established forms, but I would earnestly urge the Hon'ble Member to see if he cannot add another table to the Financial Statement on the lines suggested above. It will certainly serve a useful purpose, for it will enable everyone, who turns to it, to see that our real revenue is only 52 millions sterling and not 73 millions!"

"My Lord, I welcome with sincere satisfaction the grant of 30 lakhs of rupees which the Hon'ble Member places at the disposal of the Local Governments during the coming year for assisting municipal bodies in undertaking works of sanitary improvement. The Hon'ble Member promises to make the grant an annual one, and considering the great importance of the principle which underlies it, I am sure the country will warmly appreciate the fact that a beginning in this direction has been made, in a year when the difficulties caused by famine might easily have dissuaded the Hon'ble Member from undertaking a new expenditure. Thirty lakhs a year is no doubt a small sum, compared with the vastness of the object to which it is to be applied, but now that the principle has been recognised and a beginning made, I am not without hope that the amount may be increased when the present famine conditions pass away and normal times return. Even as it stands, the grant marks a substantial improvement on the existing situation, as may be seen from the following figures which I have been able to obtain through the courtesy of the Hon'ble Sir Harvey Adamson. These figures show the amounts contributed by the several Provincial Governments out of Provincial revenues as grants-in-aid to Municipalities towards capital outlay on drainage and water works during the last five years, i.e., from 1902-1903 to 1906-907 :—

Province.	Total amount in rupees in five years.
Madras	6,47,000 (exclusive of 3 Nil. lakhs given to the city of Madras).
Bombay	1,05,400
Bengal	5,68,235
United Provinces	2,35,000
Punjab	1,58,000
Burma	14,000
Eastern Bengal and Assam	41,000
Central Provinces	Nil.
North-West Frontier Province	
Total for all the Provinces in five years	17,68,635

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" This gives us an annual average of  $3\frac{1}{2}$  lakhs a year for the whole country, and contrasted with it the Hon'ble Member's 30 lakhs a year is almost a liberal provision ! It may be noted that during these same five years, while the Government contributed a mere pittance of  $17\frac{1}{2}$  lakhs towards the sanitation of our towns, which are being decimated by annual visitations of the plague, His Excellency the Commander-in-Chief was able to obtain for military charges a sum of about 27 crores above the level of the military expenditure of 1901-1902 ; and nearly 60 crores were spent as capital outlay on Railways, of which one-third, or over 19 crores, was found out of current revenues. My Lord, this treatment of sanitation, as though the Government had no responsibility in regard to it, has hitherto been one of the most melancholy features of the present scheme of financial decentralisation, under which sanitation has been made over to local bodies as their concern, though they have admittedly no resources for undertaking large projects of improvement. The analogy of England is often quoted to justify this arrangement, though on the same analogy our railway construction should have been left to private enterprise ; but it is not. My Lord, our mortality statistics are ghastly reading. The officially recorded death-rate has steadily increased during the last 20 years from 28 per thousand to over 36 per thousand. It was about 28 during the first quinquennium, 1886—1890 ; from that it advanced to nearly 30 during the second quinquennium, 1891—1895 ; from there to 32·5 in the third quinquennium, 1896—1900 ; and from that to 33·5 in the fourth, 1901—1905. For the year 1905—the last year for which figures are available—it was 36·14, being even higher than for the year 1897, when the country was devastated by one of the greatest famines of the last century. It is significant that during this same period of 20 years, England has succeeded in bringing down her death-rate from 20 to 15·5 per thousand. Again, taking only our urban areas, we find that the rise in the death-rate from 1896—the year immediately preceding the appearance of plague in the country—to 1905 has been from 36·5 to 41·7. Last year His Majesty the King-Emperor was pleased to send a gracious message to the people of this country sympathising with them in their sufferings from plague. Your Excellency too made a most feeling reference to the ravages of plague in the course of your last budget speech. My Lord, may we not hope that the Government will in future show a greater recognition of the claims of sanitation on the resources of the State than it has done in the past, as no real improvement in public health is to be expected, unless vigorous efforts are made throughout the country to push on sanitation. Three years ago I urged in this Council that at least one million sterling a year should be provided by the Government to assist municipal bodies in the construction of drainage and water works. I earnestly trust that the amount will be forthcoming before long. It is really a modest demand, considering the interests involved and considering also the requirements of the situation.

" In this connection it is a matter of deep regret to me that I cannot persuade the Hon'ble Member to see the reasonableness of my suggestion as regards the utilisation of our surpluses—at least of a portion of them—for promoting sanitation. I do not propose to repeat today my arguments in favour of such a course, as I have urged them again and again in this Council with perhaps wearying iteration. But there is one misapprehension of the Hon'ble Member about which it is necessary to say a word. He thinks that as a surplus is in the nature of a windfall and entirely uncertain, to make allotments out of it towards sanitary projects would involve wastage, as works may have to be stopped after being undertaken, if one surplus is not followed by another surplus ; and he says that this would be unsound finance. I do not, however, see why there need be any stoppage of works or any wastage. My proposal would work as follows :— suppose there is a surplus of 2 millions one year and suppose it is decided to devote it to sanitary improvements. The different Provincial Governments will receive allotments out of it, which they will temporarily hold as part of the Provincial balances. They will have before them a programme of sanitary projects and they will offer assistance out of the allotment to such of them as appear to them to be the most urgent. It should be laid down that no assistance should

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be offered unless the whole of the money required to meet the liability is there in the balances or can be provided partly out of the allotment and partly out of Provincial revenues. When a second surplus is realised and fresh allotments are received, other projects can be taken up for assistance in the same way. If there is no surplus to allot, no harm is done. These surplus allotments may be in addition to the regular annual grant. I do not see what is there that is unsound in such a course. On the other hand, I cannot help regarding the present practice of devoting surpluses to railway construction—which means investing them as capital—as unjust to the tax-payers and wholly indefensible. What will the Hon'ble Member think of a man who, while his children are sickening and dying, neglects to improve the sanitation of his house and uses whatever money he can spare out of his income for purposes of investment? And yet this is precisely what the Government of India has been doing all these years. Our railways, on which already 400 crores of rupees have been expended, rest on a commercial basis. They are remunerative as a commercial undertaking and they should be constructed only out of borrowings. Surpluses are so much more revenue taken from the people than was necessary for the requirements of the Government. As it is not possible to return a surplus directly to the people, it should be spent in meeting non-recurring expenditure most urgently needed for their welfare. Such expenditure today in this country is expenditure on sanitary improvements. The Hon'ble Member proposes to devote to Railway construction a sum of  $1\frac{3}{4}$  millions sterling out of cash balances during the coming year. This raises the question whether there should not be a definite limit to cash balances. If in fat years larger cash balances than are really required are to be built up out of current revenues and in lean years they are to be drawn upon for Railway construction, it really means finding money for capital outlay on Railways out of the proceeds of taxation, whether the years be fat or lean. The question was carefully considered by the Government of Lord Northbrook, and the conclusion arrived at was that  $13\frac{1}{2}$  crores should suffice as cash balances. Since then Burma has been added and the normal level of expenditure has also risen considerably. Still cash balances, ranging between 25 and 30 crores, appear to be unnecessarily large and may, I think, be brought down to a lower level.

"My Lord, I think the country has a right to complain that the conclusion of the Anglo-Russian Convention, which has been acclaimed by its authors as a great triumph of diplomacy, has made no difference whatever to the people of India, so far as the weight of military charges is concerned. It is true that certain lapsed grants have not been restored to the military budget this year, but that is owing to the difficulties occasioned by the famine, and moreover they only mean a slight postponement of certain items of expenditure. Two years ago, when I urged a reduction of military expenditure in this Council in view of Russia's collapse in the Russo-Japanese War and the conclusion of the Anglo-Japanese Alliance, Your Lordship observed:—

'Recent events may at first sight appear to justify much of what the Hon'ble Mr. Gokhale has said. Russia's reverses in the Far East and our alliance with Japan undoubtedly at the present moment minimise the dangers of our Indian frontier; but I am afraid I cannot follow the Hon'ble Mr. Gokhale in his conclusion that these dangers have disappeared for ever. He has told us that the tide of European aggression in China has been rolled back for good, that the power of Russia has been broken and that her prestige in Asia has gone. I am afraid these are mere assumptions which I can hardly accept. I am afraid I feel much more impelled to consider what effect Russian reverses may have on the pride of a high-spirited military race and I wonder in how long or in how short a time she may feel confident of recovering her lost prestige.'

"Well, this time it is an agreement with Russia herself that has been concluded and now at any rate there is no justification for regarding Russian aggression on the North-West Frontier as anything else than a mere remote possibility. But now I fear another ground is being taken, namely, that in view of the unrest prevailing in the country and the tendencies of thought and utterance among a section of the people, it is not desirable to touch the military expenditure of India. My Lord, all I can say is that such a view of the situation

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is most unjust to the vast bulk of the tax-paying community in the country. No doubt it is the case all over the world that when military charges have been once allowed to grow, it is extremely hard to get them reduced again. In India, in addition to this general difficulty, there are special difficulties connected with the exceptional nature of the situation. But the general satisfaction that will result from a reduction of our overgrown military expenditure is an important consideration. On the other hand, the retention of the present level of charges, in spite of the Anglo-Russian Agreement, will probably tend to strengthen those very tendencies which are alleged to stand in the way of a diminution of the country's burdens.

"There is one more point that I would like to urge about our financial administration before I close. I think it is necessary that a larger portion of our revenues than at present should be devoted to objects on which the moral and material well-being of the mass of our people ultimately depends. The expenditure on the Army, the Police and similar services may be necessary, but it is a necessary evil, and, consistently with the maintenance of a proper standard of efficiency, it must be kept down as far as possible. On the other hand, no State, especially in these days, can expend too much on an object like education. And, here, my Lord, I regret to say that the Government is not doing its duty by the people of India. Everywhere else throughout the world the State now accepts it as a sacred obligation resting on it to provide for the free and compulsory education of its children. The Gaekwar of Baroda has recently adopted measures to make this provision for his subjects. What every civilized Government provides for its people, what the Gaekwar is providing in his State, the Government of India must surely provide for the people of British territories. There is no escape from so obvious a duty, and every day's delay is a wrong to the people. We sometimes hear it said that it will be impossible to find money for so vast an undertaking. My Lord, it is not true. The money is there for whatever developments may take place immediately, and it can be found without difficulty as we go along if the burden is distributed over a number of years and the task taken in hand in a resolute spirit. The Hon'ble Mr. Baker makes an interesting observation in one of the paragraphs dealing with Famine, which throws a flood of light on this point. He says that the loss to the Exchequer of the Government of India—apart from the losses of the Provincial Governments—from this year's famine has been estimated at 3 crores during the year about to close and at  $3\frac{1}{4}$  crores in the coming year. As there has been a small surplus in the accounts of the Government of India this year and as the Hon'ble Member has budgeted for another surplus for the coming year, his estimate should carry conviction to the most sceptical mind. My Lord, I repeat the money is there or can be found without difficulty. Only the will has to be there and then we shall not be found merely discussing the difficulties of the problem. Then there is the question of technical and industrial education. Half a million sterling for initial equipment and about five lakhs a year for maintenance charges should give the country an Institute of Technology, almost fit to be included among the great institutions of the world. And the expenditure will return tenfold to the State not only in the advance of technical and industrial education in the country, but also in the appreciation and enthusiasm of the people. I have already spoken of the needs of sanitation. Lastly there is the vast problem of agricultural indebtedness. Here, except perhaps for initial experiments, the money for any scheme of relief that may be adopted—if one ever is adopted—will have to be out of loan funds, and there is ample margin for borrowing for such a purpose, as our Ordinary Debt now stands at only about 37 millions sterling.

"My Lord, we are passing through very anxious times. How we shall emerge from this crisis, when it is over, is a question that is occupying all earnest minds in the country today, almost to the exclusion of any other question. There is much in our present situation that is naturally galling to proud and sensitive spirits, and young men, fresh from their books, are coming forward on every side to ask why things need be as they are. As yet they have

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not permitted themselves to imagine that their interests do not lie on the side of order. But sooner or later, mere order is bound to appear irksome to those who zealously cultivate the belief that there is no chance of better days for their country as long as existing arrangements continue. They will no doubt discover before long the limitations of their position. They may even come to recognise that life is not always like writing on a clean slate, and that in the peculiar circumstances of India they must range themselves, in spite of the humiliations of the situation, in their own best interests, on the side of order, for without its unquestioned continuance no real progress for their country is possible. My Lord, many things have happened during the last three years which have had the effect of swelling the ranks of these men. Even the feeling of love and reverence, with which, as a great teacher, the philosopher-statesman at the India Office was regarded by successive generations of educated classes and which was really an asset of value to British rule when he took charge, has helped to add to the difficulties of the situation. That feeling has given way to a sense of irritation and disappointment, because Mr. Morley has on occasions used language which has wounded and has sanctioned measures which have bewildered and amazed. And though those among us, who have not made sufficient allowances for Mr. Morley's difficulties, will in the end regret the harsh things they have said of him, he certainly for the time has lost the power of arresting the rapid decline of my countrymen's faith in England's mission in this country. My Lord, the Government will no doubt put down—indeed it must put down—all disorder with a firm hand. But what the situation really requires is not the policeman's baton or the soldier's bayonet, but the statesman's insight, wisdom and courage. The people must be enabled to feel that *their* interests are, if not the only consideration, at any rate the main consideration that weighs with the Government, and this can only be brought about by a radical change in the spirit of the administration. Whatever reforms are taken in hand, let them be dealt with frankly and generously. And, my Lord, let not the words 'too late' be written on every one of them. For while the Government stands considering—hesitating, advancing, receding—debating within itself 'to grant or not to grant, that is the question'—opportunities rush past it which can never be recalled. And the moving finger writes and having writ, moves on!"

The Hon'ble TIKKA SAHIB RIPUDAMAN SINGH OF NABHA said:—"My Lord, the dominant feature of the Financial Statement which was presented to the Council last week, is the famine, and in view of the present situation no one can have expected that the Hon'ble Mr. Baker would again this year announce those large surpluses which it has been his good fortune to report in each of the last three years. The revised estimates for the closing year show a falling off of surplus to 35 lakhs against 116 lakhs, being a net decrease of 81 lakhs, or less than one-third of that which was budgeted last year. Yet the result gives striking evidence of the prosperity of the country and the wise handling of its resources. My Hon'ble Colleague the Finance Member rather takes an optimistic view of the present situation when he estimates a surplus of 86 lakhs for the next year, in the hope that the monsoon will then be normal in character. However, let us hope that his expectations will be fulfilled. The gratifying feature of the present budget is the grant of 12, 30, and 150 lakhs for Police reform, improvement of the public health, and Irrigation works, respectively.

"The failure of rain has again resulted in widespread famine. The United Provinces of Agra and Oudh are more severely affected than other provinces. An effort should be made to prevent famine as far as possible. In a country like India, which has been bountifully supplied with an inexhaustible store of river water, the ruinous effects of failure of rains upon the agricultural condition of the country may be averted by utilising and economising the waters of the great rivers for irrigation purposes. The Government, who well realise this truth, are already turning to advantage the waters of some rivers in different parts of the country, which feel for this reason less acutely the advent of famine caused by

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drought. But there remains still much more to be done in the direction of the development of irrigation. The more this question receives the attention of the Government, the better for the ruled as well as for the rulers. We are all aware that our irrigation works are more lucrative and profitable than our railways; our well managed and wisely conducted canals returning interest at the rate of 9 per cent. on the capital outlay, while railways pay us interest only at the rate of 5 per cent. The Hon'ble the Finance Member in paragraph 77 of the Budget Statement remarks that 'the steady growth of the relative burden of working expenses in the last few years is a somewhat disquieting feature. A time comes in the history of most railways when the receipts from new traffic hardly cover the cost of carrying it; and it is a matter of common remark that this stage has been reached in not a few railways in the United Kingdom. Hitherto, however, it has not been supposed that we were within measurable distance of it in India. Various reasons have been suggested to account for it, such as the increased cost of coal and the higher salaries which are now generally commanded by railway establishments.' Therefore, at least in view of these facts, instead of spending a greater portion of the surpluses on railways, it should now be applied to a large extent to the construction of irrigation works, which besides being more profitable from a business standpoint, have a stronger claim on our surpluses, inasmuch as they would contribute to the development of the resources of the country, minimising the misery and distress in the event of failure of rains, and ameliorating the financial condition of the agriculturists, in favour of whom Your Excellency generously gave expression in your speech at the last year's budget debate in the following words:— 'He (the tiller of the soil) is the man we must strive to help. He is to a great extent the backbone of the population of India. On his welfare depends much of the happiness and the contentment of the people.' I know that Railways play a prominent part in alleviating the severity of famine by affording easy and cheap means of locomotion in addition to the expansion of trade. But I may be allowed to say that much has been already achieved in the extension of railways, and now we have already a sufficient network of them in the country.

"I am not well acquainted with the results of the activities of the Forest Department, but I think it is obvious that some more tree-planting could be effected in India. If enquiries were made, I believe there could be found waste tracts and hill slopes in various parts of the country which might be made to bear rain-attracting trees. Since the introduction of railways into India and also on account of the gradually increasing population of the country, and the wants and restless activities of large communities, there has necessarily been great destruction not only of isolated trees in village tracts, but of whole forests, and I am not aware that re-afforestation has kept pace with destruction. Should the Government feel itself unequal to the task of increasing the activities of the Forest Department, much could be done by encouraging agriculturists to plant trees as boundaries or when opening new wells, or on spaces which are not deemed suitable for other forms of cultivation. The advantages of such a course could be easily explained to them and no serious objection would be made. The attention of Native States, such as those in Rajputana, which are the constant theatres of devastating drought, might also be called to this matter, and I feel sure they would gladly respond. Several parts of Rajputana are now unfortunately in an arid condition though they were in former ages irrigated by the copious waters of the *Saraswati* from the Himalaya Mountains. That the rainfall and the temperature of a country are favourably affected by trees is a matter so commonplace and so universally admitted, that I need not dwell on it here.

"Another important measure would be to encourage emigration of the population of overcrowded provinces to more thinly populated areas, where vast tracts of waste land might be reclaimed by constructing irrigation canals. The Government have tried this experiment in the Punjab; and the existence of the flourishing district of Lyallpur affords tangible evidence of the boon conferred on the people of that province. But this boon must be extended to other provinces

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also, especially to the United Provinces, and Rajputana, which suffer grievously in famine times. The peasantry of these provinces should be afforded facilities and induced to emigrate.

"The people of India who mostly depend for their livelihood on the industry of agriculture may likewise be supplied with other means of sustenance, so that the high percentage which now exists of the agricultural population may be decreased by the employment of those from among them who may be badly circumstanced, or who may happen to have gloomy prospects of making their living by means of this industry. Other resources of India than the agricultural are not small. Its mineral wealth is still in embryo. Its seas could be made a source of affluence to the Indian populace by the development of fisheries. If the country were equipped with an ample number of profitable manufactures, they would ameliorate the condition of the indigent labouring classes. It is therefore most desirable that Government should give encouragement to the opening of manufactures and the development of industries. Technical training may be given along with scholastic education, which in present circumstances is turning out so many unemployed and discontented people. An idle man is prone to mischief. Supply him with work, and the mischief will be gone.

"I cannot help thinking, in spite of all that the Hon'ble Mr. Miller said the other day in reply to a question put by the Hon'ble Mr. Chitnavis, that it seems a pity that grain should be allowed to be exported out of India when the children of the soil can hardly buy enough thereof to keep body and soul together. Your Excellency, in your speech at the Famine Fund meeting, said the other day :—

'It is quite true that the present famine cannot be compared to the last two great famines, either in respect to its extent or severity, but it has one distinguishing feature in which it markedly differs from its predecessors, and to which I should wish to draw the attention of the meeting. That feature is the very high range of the prices of food-grains. They are much higher than the great famine of 1900, and distinctly higher than in 1897, and though the labouring and artisan classes have to some extent been saved from distress by the gradual increased demand for labour in the last few years, and though cultivators in the fortunate position of having a surplus to sell, have benefited by the rise in prices, there is on the other hand an actually larger number than in former years of respectable poor people, whom custom and tradition forbid to apply for Government relief, to whom these prohibitive prices mean the most terrible distress and suffering.'

"It would certainly be conducive to the general well-being if in times of scarcity some restrictions were placed on the free exportation of grain. The Hon'ble Mr. Miller's apprehensions on this score seem to me to be not quite well-founded.

"Your Lordship last year dwelt with kindly feelings on the ravages of the plague in India. While in other parts of India the plague is generally confined to large cities, in my province it does not leave even the villages free. The reason is that a Punjabi village is a conglomeration of dirty huts opening on lanes in which all sorts of rubbish are freely thrown. Sun and air find no access to these huts; and as long as Punjab villages remain in their present state there is little hope of eradicating the plague from them. It would be an interesting experiment if some model villages were built formed of detached hamlets open to sun and air, and people were allowed to acquire them on the payment of small sums by annual instalments. The old villages could then be demolished and their sites made village commons. If some such thing were done, it would in time conduce to the general well-being of the village community. Though inoculation and evacuation of houses may all be good in themselves, yet I am afraid we cannot get rid of this dire scourge until we improve the standard of living of the people.

"It is a matter of sincere pleasure that the Government has at last realised the importance of attending to the public health. Hitherto very little has been done in this direction. The decision of the Government to allot a sum of 30 lakhs per annum for expenditure on sanitary improvements with special reference to the prevention of plague is to be heartily welcomed. Out of this sum my

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province, the Punjab, gets four lakhs, for which I am most grateful. Although this grant is all too small considering the requirements of the country, yet it is a welcome move in the right direction. The Hon'ble the Finance Member himself admits this fact when he says it is to be regretted that it has not been found possible to make this grant larger. The Hon'ble the Finance Member in paragraph 65 of the Budget Statement says :—

'Apart from expenditure of this nature, which will not, we trust, be of a permanent character, there is room for almost unlimited outlay of the most beneficial description, in reforming the sanitary arrangements of the larger towns.'

"Our surpluses should in future therefore be advantageously applied to such useful purposes.

"A few words about our police may perhaps not be considered out of place. Our Police, especially in its lower ranks, is not what it ought to be. Perhaps I am speaking the plain truth when I say that in this country innocent people are more afraid of the police than even of the criminal classes, because the latter know that the members of the force will hardly be able to reach them. Instead of being a source of comfort to those who stand in need of their assistance, they are a sort of terror to the respectable people, and this is due to the fact that they are generally recruited from the lowest grades of the Indian people. As regards their incapacity for work, two recent instances would suffice. The culprits who made such a cowardly and mean attack in December last on the life of Mr. Allen (who has since then happily recovered from his injuries) and those who burnt a certain Sikh Gurdwara in the Punjab not many months ago, are still at large, and no trace of them is to be found. Every effort should be made to improve our police force, because it is they who mostly come in touch with the people. The recommendations of the Police Commission should be given full effect to, especially with reference to recruitment and training. No person should be recruited unless he is of good moral character and social position, and the recruits should be specially taught how to deal with the general public. Above all, what is most essential is, that very strict watch should be kept on them, and their faults should never be overlooked, but, on the contrary, promptly and strictly punished. This is a matter in which the hearty co-operation of senior police-officers is required, as otherwise there will be no hope of any real reform. I hope that the proposed expenditure on police will be applied so that it will filter down to the lowest grades and make the Police Department a desirable one to enter, and that it shall no longer be deemed, as it so often is now, a *ganda mahakama* or shabby department.

"I may be permitted to make a few passing remarks about the Gurdwara arson case to which I have just alluded. In that case all the accused were discharged by the trying Magistrate, but there are one or two points in his judgment dated the 5th December 1907, which deserve attention. He says :—

'I may state here that my reason for not trying the case myself was, that I had watched the police proceedings from the beginning and had consequently formed opinions as to the *bond fides* of the prosecution witnesses. I transferred the case to my own Court however on the 2nd November 1907 for reasons which need not be specified.' \* \* \* \* The investigation has proved to me conclusively that the outrage was not the result of local religious antipathies but merely an attempt on the part of some of the Muhammadans of Udhawal to induce the Hindus to come back to the village and look after their property.'

"I have taken these extracts of the judgment from the *Khalsa Advocate* dated the 11th January 1908, a weekly published in Amritsar. Now as regards the first point, the Magistrate ought to have given his reason for transferring the case to his own Court, which he says 'need not be specified.' But the question arises why? He admits himself that before hearing the case, nay even before recording evidence, he had formed his own opinions regarding it, and in these circumstances what else could have been expected from him than what subsequently happened? On the second point I need not say much, because the absurdity of the Magistrate's argument is self-evident. What an extraordinary theory that the outrage was not the result of religious antipathies—a theory which it was the duty of the Magistrate to verify by the

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facts of the case. A supposition could not and should not have found a place in a judicial record. The Government encourages the people at the time of plague to evacuate their houses, but in Udharwal, when the poor Hindus went forth, our Muhammadan brethren amused themselves, as the Magistrate practically tells us, by burning their Dharmasala, in order to induce the Hindus to come back to their houses and look after their property! I sincerely trust that the Government will not allow this matter to rest here, and that we shall hear before long of the arrest and exemplary punishment of the real culprits in that case.

"My Lord, I cannot let this opportunity pass without drawing your serious attention to the condition of the Indians in the Transvaal and other British colonies. Every one knows to what humiliation they were lately subjected in the Transvaal, where they were treated as common criminals. The indignities imposed upon them there were taken to heart by every Indian. No doubt the indomitable will of a few Indians in the Transvaal, never to submit to humiliating ordinances, achieved a great moral victory, but that was only transitory. During the late Boer War Indian troops were sent from here to assist the British, and now when peace has been restored, the poor Indians are not treated like human beings, but as lower animals. It is freely said in speeches and writings that India is the most brilliant jewel in the British Crown, and yet Indians are treated in this manner in other parts of the world which are under British protection. The Proclamation of the late Queen Victoria to the Princes, Chiefs and People of India says:—'We hold ourselves bound to the natives of our Indian territories by the same obligations of duty which bind us to all our other subjects; and those obligations, by the blessing of Almighty God, we shall faithfully and conscientiously fulfil.' Not many months ago, the Right Hon'ble Mr. Morley said in Parliament:—'The Indian Asiatic is a man with vivid susceptibilities, with great traditions and a civilization of his own; and we are bound to give him the same respect and sympathy with which we expect to be treated ourselves.' Only the other day I saw a letter from General Gordon to a friend of mine in which he said:—'Government.—There is but one way, and it is eternal truth—get into their skins, try to realise their feelings, that is the true secret of Government.' That is a great political law as well as an ethical law, and I hope that in all that we do it will not be forgotten.

"The treatment to which my countrymen are subjected should not be tolerated. I think it is one of the foremost duties of the British Government to protect the rights of Indians in the British colonies. The concessions lately made to the Indians in the Transvaal are not quite satisfactory. Under the new arrangements the registration system, which is degrading, is still maintained. It is perhaps the irony of fate that India is now so looked down. The colonists who act in the manner complained of, do not seem to remember the fact that when their forefathers were no better than savages, India was in the full glory of her ancient civilization. If free governing colonies can do as they like, we must also be allowed to stand up for our rights, in whatever portion of the globe they are assailed; and I think our Indian army will be found adequate to protect them here as elsewhere.

"To associate more and more the children of the soil with the higher administration of the country, both civil and military, is the pressing problem of the day. Many young men of the Indian aristocracy cannot proceed to foreign countries for education on account of caste prejudices and other difficulties; and others who are willing to go are prevented from doing so by their parents, who are unfortunately so much attached to them, that they would not let them go on foreign travel, however much it might be conducive to their advantage. So I beg to suggest that facilities should be afforded to young noblemen to qualify themselves in this country for Indian service in its various forms, because they are naturally more fitted to serve in higher and responsible offices than the offspring of the lower classes. Examination qualifications cannot be considered as the *only* test of fitness for authority.

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It is also nobility of character and birth and a sympathetic attitude towards the people, which make a popular and beneficent ruler, and only he who possesses such qualities can command the respect and confidence of the public at large. Let us hope that these aspirations will not be frustrated, but will be fulfilled and realised before long.

"A sum of twenty-seven lakhs of rupees has been set aside for expenditure on education during the ensuing year. It is to be hoped that this will be suitably applied. Primary education is an admitted necessity for the country. I have read with much pleasure Your Excellency's speech in reply to the address of the orthodox Hindu community, in which you stated that you saw no objection to the institution of denominational hostels. I am strongly of opinion that the religions of India ought to be maintained, and this can only be done by a system of denominational education. I am of opinion that even the Chiefs' College at Lahore is unfit for the education of Sikhs of position. In this connection I would beg to point to the deplorable ignorance of the religious systems of the country generally possessed by English officials in India.

"The Educational Report of the Punjab of last year is of more than usual interest. We cannot sufficiently thank the Hon'ble Sir Charles Rivaz for the interest he took in the spread of education in the Punjab; and it was due to his enlightened policy that money was liberally spent on education in all grades, and that private enterprise was also treated with generosity. During the period of his term of office the expenditure on public instruction rose from 32 to 52 lakhs of rupees. Nine hundred new Primary schools for boys and two hundred schools for girls were opened. Forty thousand more boys and seven thousand more girls are now the recipients of elementary education than was the case in 1902.

"As far as I can see, these Primary schools are opened mostly for the benefit of the agricultural population, but I am afraid that the agricultural classes are not fully benefited by them. With a little more expense and forethought it might be possible to adapt these schools to the requirements of the villagers. As a first step the scope of the work of these schools should be defined; and they should be raised to such a position as to enable them to teach something useful to the agriculturists. In the first place, an attempt should be made to instruct the pupils in reading, writing and arithmetic in their own language, not as it is done now in Urdu, which is a foreign language. The result is that after three or four years' study they hardly understand the meaning of the words they read or repeat. Education to be of any real advantage must be given first in the easiest language to learn; and could there be any language easier to learn than one's mother tongue? So primary education in the Punjab ought to be given through the Punjabi only, and in the characters peculiar to that language. When the Government has recognised a knowledge of Punjabi as a desideratum for the British military and civil officers, it is very strange indeed that the Educational Department should have forced on the poor Punjabis the necessity to forget their own vernacular for the camp language of the Mughal Emperors which is not a general household language in India. Then again books should be specially compiled containing useful information in simple and colloquial language about agriculture, sanitation, manure, and cattle. The schoolmaster should be a man who knows something about cattle diseases and practical farming, so that he may be able to attract the attention of the villagers and win their respect by his knowledge of the very subjects which they pride themselves on knowing better than any one else. It would be far better to have fewer schools doing really useful and practical work than to open many lower primary places of instruction which serve no useful purpose.

"The subject of education of Government wards also calls for a few remarks. The present arrangement is not quite satisfactory, and I think that the Government's policy of 'religious neutrality' is responsible to a great extent for it. No doubt this is a very delicate and complicated question, but solve it we must, because on it largely depends the success or failure of the education of Government wards. An education which lacks moral and religious training cannot be considered as complete or of any real advantage. The wards

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are now taught only what might be useful to them to get employment, a course of instruction which is only useful for an office-seeker. They should be first taught the principles of their religion and after that a liberal English education should be given them. The Government should pay special attention to this subject, because in the case of its wards Government fills the place of their natural guardians. I could give instances in which the education of Government wards has totally failed in the past, but I do not wish to do so for obvious reasons.

"My Lord, I must draw your special attention to some of the social evils of this country, which require very careful consideration on the part of the Government. We do not wish the Government to interfere needlessly in the social affairs of the people, but it would be desirable that clear and simple social rules should be framed for the guidance of the people. Education is spreading and opening the minds of Indian women also. What they in their state of ignorance regarded as natural and inevitable, now appears to them unendurable; and many an educated and sensitive girl has to pass years of misery either in widowhood or in the retirement of *Zenanas*, from which she can see no way of escape. The old customs and laws of the country can hardly meet the demands of the new conditions; and it behoves the Government to assist as much as possible in the dissemination of wholesome ideas on the subject.

"I am constrained to bring to the notice of the Council one or two cruel customs of the country:—

"I. A man can go on marrying and deserting as many wives as he likes. The women so deserted cannot marry again, and are often compelled to lead immoral lives. Is it too much to ask that when a woman has been absolutely deserted by her husband, say for five years, she may be allowed to marry again? It would remove a great burden of pain and suffering if long desertions were recognised by law as sufficient to annul marriages.

"II. Frequently parents take money in exchange for their daughters. In other words, they sell their daughters to the highest bidder. The older the man, the higher the price he has to pay for his wife. Is it not a sort of slavery still prevalent in India? The most heartrending sight is one which we not infrequently see, of a young girl of 10 or 12, nay sometimes even of 6 or 8 years, being married to a man 70 or 80 years old. I have given these figures most cautiously, but perhaps still more glaring instances could easily be found. I beg and pray that some sort of preventive law be passed without any further delay to put an end, once for all, to all such practices for the good of the country and its people.

"The question of intoxicating drugs is one on which I feel bound to say a few words again this year. This question is now before the British Parliament, and I have every reason to hope that our Government will not lag behind, when the time for action arrives. In the Punjab, plague has led to an increased habit of drink, and to save the fine Punjab peasantry from the degradation and ruin which follow the habit of drinking, some stringent rules against the free sale of country liquor should be issued.

"Intoxicating drugs are surely a great plague of the world. They are first seductive and afterwards destructive in their effects. Among intoxicants, wine is the worst of all. This evil is spreading all over like wildfire, and retarding our social and moral progress. Some philanthropists are endeavouring to save mankind from falling a prey to this evil, and the Temperance Associations are doing good work, but the greater part still lies with the Government. Until a preventive measure is passed, I am afraid this evil cannot be extirpated from the country. The use of wine in the Army should be strongly discouraged. In order to make soldiers brave and fit for the honest and effectual discharge of their duties, they should be strongly prohibited from indulging in this bad habit. Total abstinence would make the soldiers strong, healthy and courageous.

"Another intoxicant which is still more harmful is tobacco. The history of the Sikhs, who are religiously forbidden the use of tobacco, furnishes, a very

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valuable object lesson in this matter, showing the moral and physical advantages which they possess over their Hindu and Muhammadan brethren. The Sikhs have greater muscular vigour and activity than the other natives of the country. Doctors are also of opinion that tobacco is very injurious, especially to youths under 20 years of age, as it causes great injury to the brain and weakens the digestive system. We see every day young boys, nay even girls, of 6 or 7 years of age, smoking, some of whom perhaps can hardly buy bread to eat. It would be quite a proper thing if the Government, in view of the bad effects produced by the use of tobacco on the rising generation of the country and especially on young students, would make it punishable to sell it to youths under 20 years of age, and also make it punishable for such youths to addict themselves to the vice. In America and some European countries, this matter has received special consideration.

"While congratulating His Excellency the Commander-in-Chief on the workmanlike action of the Zakka Khel expedition, which speaks volumes for the efficiency of our reorganised army, I cannot help expressing the feeling that the Zakka Khels seem not to have been sufficiently punished for their misdeeds. From whatever point of view we look, the settlement does not appear to be quite satisfactory. Our forces could hardly have returned from the expedition, when transfrontier ruffians looted some shop-keepers and bazar people in Peshawar; and this clearly shows that the expedition had not a sufficiently deterrent effect. In the terms of settlement there is nothing to be found about those unfortunate victims who were murdered and robbed by the raiders. The cash which they took away has not been recovered and returned to the owners, nor has the cost of the expedition been recovered from the offending tribes or their allowances stopped. Nor have their leaders been arrested and detained as hostages. We are told that the leading offenders in the recent raids will be duly punished by the tribesmen themselves with the assistance of the Zakka Khels. We all know what the promises of these frontier people mean. The idea of expecting the Zakka Khels to punish their own kith and kin for shooting down a few infidels, a matter which they consider the surest way of gaining Paradise!!! Of course we are not aware of the details of the Government's policy which brought this expedition to a close so suddenly, but I am afraid that a splendid opportunity has been lost to give them a proper lesson. Such occasions afford more fitting opportunities for the training of our troops, than the lifeless annual manœuvres. Now we are told that there are signs of renewed restlessness among the Mahsuds in Waziristan. If the warlike races of India are encouraged to settle down on our frontiers, perhaps in a few years' time we shall hear no more of these frontier raids.

"I do hope that the formation of a large reserve force will receive that attention from Your Excellency which it deserves. While in other parts of the Empire under the British protection measures are contemplated to make it compulsory for every man to have a rifle, it would not be too much to ask for a reserve of one lakh of men, for the protection of the Indian Empire here, as well as the rights of its citizens in other countries.

"My Lord, I should be failing in my duty if I did not draw your attention to the relations between Indians and Europeans which are at the present not at all satisfactory. A great deal depends sometimes on the commission or omission of little things. Men of birth and position, men who are received by His Excellency the Viceroy, are often kept waiting under trees or in the verandahs of officials. The calls of Indian gentlemen are not returned; and yet if, to preserve his self-respect, an Indian ceases to call on English officials, he at once becomes a target of suspicion, and is never given a chance of explanation. Indian gentlemen who have to travel by rail are often subjected to rudeness and great difficulties, nay even sometimes bodily expelled from railway carriages.

"It has been said that this idea of equality of treatment is the fruit of English education, but if I may be permitted, I can safely say that to an Indian his *izzat* has been from time immemorial dearer than life itself. There is no doubt that

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title-seekers and placemen even now indulge in insincere flatteries. But it can be safely said that the true well-wishers of the Government are those who speak the truth plainly.

"Then again European officers do not often show due courtesy and politeness either in writing or in conversation to Indian gentlemen. Their ignorance of Indian manners, customs, religions, language and etiquette, which they do not trouble to study, and consider not worth their while to learn, is a growing evil, and goes a long way to make their relations with the people of the country strained. Some Europeans cannot even distinguish an Indian lady's name from a gentleman's. There are also other reasons for the strained relations which now unfortunately exist between the Europeans and Indians. Not many years ago the people had a strong faith in British justice, but some recent events are now talked about everywhere, and people draw their own inferences from them. I shall speak only about recent events in my province. I refer to two cases, which are known as the 'Rawalpindi rape case' and the 'Lahore shooting case.' In the former a European Station officer and his Muhammadan assistant, who were charged with dishonouring a solitary Hindu woman, were acquitted by a European jury. In the second case a European master kicks his native servant and follows him out of the house with a loaded revolver which goes off, the servant is hit in the back and dies after a few hours. A European jury find the shooting to be accidental, and the accused gets only six months' imprisonment. There is a popular feeling that the acquittal in the first case was not according to the evidence, and that the sentence on the accused in the second case was too lenient. Suppose the victims in both these cases had been Europeans and the assailants natives, what would have been the result? Yet my Lord, there is no reason to despair, and I am speaking rather *feelingly* when I assure you that the Indian heart is not at all *cold*. Treat Indians kindly and sympathetically, encourage them and cheer them with friendly words, and you will find them ready to lay down even their lives for you.

"I have dwelt on this aspect of the question at some length, and my plea for doing so is, that I consider it of supreme importance for the well-being both of the Government and the country. I cannot do better than conclude my remarks on this subject, by giving a quotation from the speech of His Royal Highness the Prince of Wales. On his return to England after his Indian tour, in the course of a speech at the Guildhall, he said:—'I cannot help thinking from all I have heard and seen, that the task of governing India will be made the easier, if we on our part infuse into it a wider element of *sympathy*. I will venture to predict that to such sympathy there will be an ever-abundant and genuine *response*.'

"The Right Hon'ble Mr. Morley said last year in the course of his Indian budget speech in Parliament as follows:—

'I have examined a great number of responsible communications from officers of the Indian Government. What do they all come to? In their view it is a mistake even now, in the hour of stress and anxiety, not to look at the situation rather largely. They all admit that there is a fall in the influence of European officers over the population, and an estrangement or refrigeration between the officers and the people; that there is less sympathy between the Government and the people; and that for the last few years the doctrine of administrative efficiency has been pressed too far.'

'Our administration—so true and complete and experienced observers assure me—would be a great deal more popular if it were a trifle less efficient, a trifle more elastic. This leads up to a practical point. The district officer is over-worked, and is forced into mere official relations. Our danger is the creation in the circle of Indian Government of a pure bureaucracy—probably honourable, industrious and faithful, but very likely rather mechanical, rather lifeless, perhaps even rather soulless. An urgent demand for perfected and efficient administration leads to over-centralisation. I shall spare no pains to improve relations with the Native Governments. I recognise their potential value as a safety valve. I shall use my best endeavours to make these States independent in matters of administrative establishment. All the evidence seems to show that the Indians are particularly responsive to a sympathetic pressure. Do not let us in mere anger estrange them, but let us try and draw to our side those whom these agitators influence. I believe the mass of the populations of India are on our side. I do not say for a moment that they like us, but they know that their whole interests are bound in the law and order which we preserve, and which would be broken and shattered in pieces if we disappeared.'

[ *Tikka Sahib of Nabha.* ]

" My Lord, we have received this announcement and assurance with great pleasure and much satisfaction. These words of the Secretary of State have again confirmed the late Queen Victoria's proclamation in which we read :—

*' We hereby announce to the native Princes of India that all treaties and engagements made with them, by or under the authority of the Honourable East India Company, are by us accepted, and will be scrupulously maintained; and we look for the like observance on their part. We desire no extension of our present territorial possessions, and while we will permit no aggression upon our dominions or our rights to be attempted with impunity, we shall sanction no encroachment on those of others. We shall respect the rights, dignity and honour of native Princes as our own, and we desire that they, as well as our own subjects, should enjoy that prosperity and that social advancement which can only be secured by internal peace and good government.'*

" The relations between the Government and the States are capable of a great deal of improvement. Nothing would win their hearts more than sympathetic treatment, respecting fully their treaty rights, and giving them full independence in matters of internal administration. I would like to suggest one thing more in this connection, namely, that the Indian Princes and Chiefs should be tried, whenever any occasion arises, only by their peers. It will save a great deal of misunderstanding and heart-burning. In England noblemen may be tried by their peers, and there is no reason why the same principle should not be extended to India. We had precedents for this practice in the past, but unfortunately it has been departed from for the last few years.

" We are very grateful, my Lord, for the new reform schemes which are now under the contemplation of the Government, and in this connection I would like to offer a few observations. It is very gratifying that the Government have at last realised the fact that the Indian aristocracy are the true and natural leaders of the people, and therefore proposals are now made to bring them more and more into touch with the administration of the country.

" First, as regards the Imperial Advisory Council, I generally agree with the proposals of the Government of India, but I just wish to make a few remarks regarding it. It is stated that (1) the Governor General will consult the members of the Imperial Advisory Council, either individually or collectively; (2) that they will occasionally be called together either in whole or in part for the purpose of collective deliberation; (3) that they will possess no formal powers of initiative; and (4) that the Imperial and Provincial Advisory Councils will receive no legislative recognition. Now as regards the first and second points, I beg to say that though His Excellency may have of course full right to consult the members individually, I think it would be much better to call the meetings of the Imperial Advisory Council regularly like the meetings of the Imperial Legislative Council, and that His Excellency the Viceroy should graciously preside over them, just as it is proposed in the case of Provincial Advisory Councils that the head of the Local Government himself will preside over their deliberations. This will involve extra trouble, but the object is worth the trouble and inconvenience. I fully agree with the statement that 'the Government of India attach the highest importance to collective deliberation, since the opinions thus obtained are different from and frequently more valuable than those elicited by individual consultation.' And at least for this reason, it seems necessary that meetings of the Imperial and Provincial Advisory Councils should be called regularly.

" As regards the third point I beg to suggest that both the Imperial and the Provincial Advisory Councils should have the power of informally submitting their proposals and opinions to the Supreme and the Local Governments, respectively, as the case may be, on questions of important public interest which may from time to time arise, i.e., even on those matters about which they have not been formally consulted.

" As regards the fourth point, these Councils should in my opinion receive some sort of legislative recognition, and should be trusted with some sort of formal work and responsibility; for, unless this is done, I am afraid, though they might remain as ornaments to the Supreme and the Local Governments, they would be of little or no real use to the public and the Government, and after

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some time the whole scheme might fall through, and the object for which the Councils are now constituted would not be attained. Besides it would be highly politic I think to give publicity to the fact that the Government is consulting the people's representatives on the Advisory Councils, and this object, I am afraid, will be defeated if the said Councils do not often formally meet for discussion of, and deliberation on, important public affairs, if their proceedings are always confidential and informal, and if they have no powers of initiative. Proper weight should always be given to the opinions of these Advisory Councils on the questions referred to them, or which they might submit on their own account, because it would look rather ridiculous if their opinions were treated with contempt.

" Coming to the proposals regarding the Imperial Legislative Council, in my humble opinion it would be most unfortunate and undesirable to introduce any *racial* feeling in this matter or to give any sort of prominence to any particular community. This would cause great heart-burning among other communities. Under paragraph 12 of the Government of India's letter I strongly object to the proposal that in the Viceroy's Council two members should be elected by the members of a certain community, and that out of four non-officials to be nominated by the Viceroy, two seats at least should be filled by members of the same class. Thus four seats will be the exclusive monopoly of a certain community, while no such provision is made for other communities like Hindus, Parsis, Jains and Sikhs. The reason given by the Government for this proposal is that the Muhammadans form a minority and that their interests must be safeguarded. Now as far as minority is concerned the Parsis and Sikhs form even a smaller minority numerically than the Muhammadans, and yet no provision is made for their representation. No other community in India can be found more educated, more enlightened and more advanced than the Parsis. The Sikhs, though still backward in the matter of education, have always proved themselves firm supporters of Government, are not men of words but of deeds, have fought the battles of their King, as well under the burning rays of the sun as on snow-clad mountains, and are always ready to lay down their lives for their beloved Emperor. When no provision is made for other communities, it does not seem at all fair to favour a particular community by giving it special privileges. The same reasons apply to paragraph 17 of the Government of India's letter as to the proposal that a certain number of seats should be exclusively reserved for and filled by members of a particular community in the Provincial Legislative Councils.

" The Government of India in paragraph 19 itself admits that as in two of the seven provinces with Legislative Councils the followers of Islam constitute a majority, therefore a certain number of Muhammadans may also be returned to the Imperial Council under sub-head (b) of head D. I apprehend that perhaps they have overlooked the fact that in the same way under sub-head (c) of head D a certain number of Muhammadans are bound to be returned to the Imperial Council. Therefore, if the proposals as they now stand are finally sanctioned, there will be a great preponderance of Muhammadans in the Imperial Council, and perhaps at times this number might be as much as three-fourths of the whole non-official Indian members. Under the present arrangement only two seats will be available, under head E of the circular letter, for nomination by His Excellency the Viceroy for all other communities, a number which is all too small for such a vast country as India. Therefore I submit that under head D, sub-head (d), and under head E, all six seats should be reserved for nomination by the Viceroy, without any distinction as provided for in the letter. The Government of India in the concluding portion of paragraph 17 itself admits that Indian gentlemen of position sometimes refuse to offer themselves as candidates to an electorate, and at least for this reason, as I have suggested above, the six seats should be reserved for nomination by His Excellency the Viceroy.

" My Lord, it is very pleasing to note that some far-reaching changes are proposed to be introduced in the form of discussion on the budget in the Legislative Councils. In future more time will be allowed to the discussion than is at

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present allotted, and this will afford an opportunity for a more systematic and exhaustive criticism. At present a member is naturally compelled to condense in the limit of a single speech all the remarks which he has to make on numerous subjects in an annual review of the administration of India; and this gives to the budget debate a discursive and unfruitful character. Therefore let us hope that the changes which are now sought to be introduced by the Government will make the debates less unreal, and will bring them into closer relations with the financial policy and administrative decisions of the Government."

The Hon'ble MR. SIM said:—"My Lord, on previous occasions I have had to thank the Finance Member for measures that have benefited Madras : I have now the pleasure of thanking him again. Last year he promised Madras a revision of its *Provincial Settlement* on his latest and most liberal lines. This promise he has fulfilled and, instead therefore of a fixed assignment, which, however liberal at the outset, must sooner or later have proved insufficient for our growing needs, we shall now have an income based entirely on growing revenues. The change is a very necessary one in a *quasi-permanent settlement*, and I am specially commissioned to express the thanks of the Madras Government for it.

"I am also to express their satisfaction with the arrangement which the Financial Department has recently sanctioned (in its letter No. 358A, dated 18th January, 1908). Under this, the *lump deductions*, which that Department makes in Provincial Budget Estimates, may now be taken as corrections rather than as reductions, and Local Governments are left free to redistribute them during the year as the actual expenditure of the year may require. So liberal a departure from traditional usage has been much appreciated, and we may perhaps hope that the same principle, of freedom within bounds, may be extended so as to empower Local Governments to make *additional allotments* during the course of the year from their Provincial balances, within a similarly specified aggregate total.

"The Financial Statement (paragraph 128) mentions savings due to the delay in sanctioning what we, in Madras, know as *Mr. Meyer's Scheme* for the re-distribution of districts and divisional charges. My Lord, such savings are to be regretted, and I would ask for early orders on this scheme. I am aware that it is, at this moment, back again with the Government of Madras, for further consideration on certain points ; but it will be soon returned, and I would ask that very early sanction may then be accorded to it. We have waited long for it, and it is much needed—more so now than ever, now that decentralisation is in the air, for it seems hardly wise to grant increased powers to men, unless time and opportunity to use those powers properly are also granted to them.

"The return of famine emphasises the need for *Protective irrigation*, and I would note with satisfaction the recent progress in that direction, which the Hon'ble Member records. It is true, as was quite fairly pointed out last year, that such works are costly ; but famine, which, as the Hon'ble Member tells us (in paragraph 6), may in a single season, in money alone, cost the State 10 crores of rupees, is evidently costlier.

"In the presence of such a calamity all minor requests for money are silenced : we can but congratulate Your Excellency's Government on the success, financial and administrative, with which it has been met, and on the fact that in spite of it the Hon'ble Mr. Baker has been able by his grant for *Sanitation* to still continue the series of improvements which have marked his years of office. His change in the presentation of Local, Marine and Interest charges similarly continues his simplification of the *Public Accounts*, which, as correct Accounting implies correct Budgetting, will be welcomed as more than merely clerical alteration."

The Hon'ble MR. REYNOLDS said:—"My Lord, when I spoke this time last year we, in the United Provinces, were suffering from one of the worst

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outbreaks of plague that we had as yet experienced. The deaths, which in January had been over 20,000, rose rapidly till in the month of April over a lakh of people died in the Provinces from this disease alone.

"The total mortality in the year 1907 was 328,862, a figure which has only once before (in 1905) been exceeded.

"It was resolved that before the seasonal increase set in, energetic and systematic efforts should be made to endeavour as far as possible to reduce the havoc wrought by the disease.

"A special staff has been employed for providing the people with the opportunity of obtaining inoculation, and in each of the eight principal cities of the Province a medical officer and one from the Indian Army have been appointed to supervise measures for promoting cleanliness and to supervise the operations against plague. For these purposes the grant of 5 lakhs now made by the Imperial Government for expenditure on sanitary improvements, with special reference to the prevention of plague, will prove a most material aid, and I have to express our gratitude for the assistance. Steps were also taken to help the very poor in case they had to evacuate their houses, and to give them compensation if they could not afford to remain idle while under the temporary fever produced by inoculation, and the Inspector General of Police further took steps to guard the houses and property of those who might have to leave their dwellings when plague broke out.

"Perhaps, however, the most important step taken was to familiarise the people generally with the idea of inoculation as a protective measure.

"A whole-time officer was appointed who toured about the country during the rains, explaining the advantages of inoculation and showing how the serum was prepared and used, and translations of His Majesty's gracious letter with Your Excellency's letter forwarding it to the Lieutenant-Governor were made and circulated widely through the Provinces with the very best effects.

"Since the establishment of the special service the number of inoculations performed by their agency has amounted to 39,062 up to the end of February and the figures now show a steady increase each month. A good deal has thus been done to familiarise people with the idea of inoculation, and we can only hope that when the necessity arises they will be ready to resort freely to this, which is the best safeguard, so far as we at present know.

"As it happens, however, there has not been such a strong demand for inoculation as there might have been, as the rains failed last year, and, as has been noticed before, an unusually dry season following on a virulent outbreak has been followed by a season of comparative immunity from the disease.

"The mortality in the last quarter of 1907 was 3,531 only as against 15,998 in the corresponding period of 1906, and for the first two months of this year the deaths have been 7,002 as against 57,886 last year.

"While however the failure of the last rains has probably contributed in no small degree to this result, it has been the cause of the famine from which we are now suffering, and it is this which at present demands our most serious attention.

"The rains did not set in till past the middle of July, nearly a month late, and they ceased before the end of August. Even so they fell in very partial and scattered storms. At my own house for instance at Meerut but one good shower fell during the whole rains while a few hundred yards away they had four such showers. At the same time I was receiving letters from a place only 200 miles away complaining of excessive rain for the time being.

"The late September and early October rains, on which so much depends, entirely failed, with the result that the transplanted rice all dried up, the autumn fodder crops, on which the cattle depend, were also very short, and except on irrigated lands the spring crops could not be sown.

"To meet the impending calamity, very prompt measures were taken. One hundred and fifteen and a half lakhs of Revenue as mentioned by the

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Hon'ble Member for Finance have been suspended, and large advances, amounting so far to the sum of 172 lakhs, were made everywhere to enable the people to dig wells and purchase seed and fodder.

"There can be no doubt that these prompt and liberal measures have proved of the most inestimable advantage, and the people were enabled to commence their fight with the scarcity and famine with courage, realising as they did from the commencement that no avoidable effort would be spared by Government in coming to their aid. I have myself seen the partial famine in the Agra Division of two years ago, and the commencement of the present famine; and comparing what I saw in 1896 with my more recent experiences I have no hesitation in saying that there is now a far greater resisting power in the people themselves than there was twelve years ago; but I have equally no hesitation in saying that that resisting power has been considerably helped by the early and liberal aid which has been so readily afforded to the people from the very commencement of their troubles.

"The distress is of course most acute in those districts where rice was the staple crop and in the hilly parts of Bundelkhand, and the adjacent districts of Allahabad and Mirzapur, where irrigation from wells is difficult or impossible, and where everything always depends on a sufficient and timely rainfall.

"Relief works had to be started in parts of the Provinces in the middle of December, and the numbers on relief have rapidly risen at the rate of nearly 200,000 a week till the latest returns I have show that in the middle of this month 1,382,830 persons were being relieved by the State in one way or other out of a total population for the Provinces of approximately 47½ millions. Now that the spring crops are ready the numbers are falling slightly and on March 21st they were 1,335,128.

"In mentioning these figures I must not forget to add that the Maharaja of Balrampur has organised relief measures on his estate at his own expense, and over 28,000 persons are now being supported by him. I have to acknowledge with gratitude his liberality in this matter and to thank him for the noble example he is setting. I have no doubt that other landholders are doing their best, in so far as their circumstances will allow, and the response made to the request for help to supplement the Government measures of relief has already resulted in subscriptions amounting to Rs. 2,65,552 being raised in the Provinces, while we have also to thank the residents of Calcutta and Bengal for the assistance they are affording us in our distress.

"So far as the business today is concerned, however, I am more concerned with the effect of the famine on the finances of our Provinces. Last year the Hon'ble Member for Finance told us of the scheme that Your Excellency's Government had formed to meet such a calamity. I ventured then to express a doubt as to whether the limit of 30 lakhs was sufficient to meet the requirements of a serious famine, and itwas explained that these figures were empirical, and if found in practice to be unsuitable the Government of India would not hesitate to revise them.

"The estimate of famine expenditure in the Provinces to the end of March is 67 and a half lakhs, and for the next year, though the local District officers would put it higher, the Local Government has estimated that the expenditure will not be less than 100 lakhs.

"The famine this year is undoubtedly a serious one, but its effects have been somewhat mitigated by the advances given and the revenue suspended. I do not see therefore how we can at all expect to get through a serious famine under less than a crore and a half for famine relief. Out of this we may have succeeded in accumulating the 30 lakhs, and this would therefore leave the Provinces to find sixty lakhs at the least out of their own resources while the Government of India would provide the remainder.

"Under the scheme we should, in the present instance, have to find probably 72 and a half lakhs, and seeing that we only commenced the year with a balance of 51 and a half lakhs to our credit the result on our finances is obvious.

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The Imperial Government has come to our rescue this year with a grant which will enable us to close our accounts with the minimum balance of 20 lakhs to our credit, and promises to come similarly to our rescue next year in order that the debtor and creditor sides of our accounts may at least balance.

"My predecessors and I have pointed out for several years now the really urgent need of our Provinces for further expenditure, and I fear we are beginning to be looked on as absolutely insatiable in our demands.

"The revision of our Provincial Contract has, as the Financial Member promised, formed the subject of discussion during the year, and we have to acknowledge with thanks the very liberal manner in which Your Excellency has endeavoured to meet our wishes, and we hope that the Secretary of State will deem fit to ratify the provisional arrangement that has been come to.

"The new arrangement will enable us to meet some of our more pressing wants, which as I pointed out last year include more funds for public works, education, and hospitals. Municipalities are also in urgent need of assistance in some form or other. To these I may add that if we are to make any headway against disease the sanitation of the smaller towns now requires further money from some source.

"I recognise that this not a time to press our wants, and I have to acknowledge with gratitude the very generous way in which we have been treated this year; but when the opportunity does come I trust that it will not be forgotten that we still have a lot of ground to make up that we lost in times past, owing to what we now see was the mistaken policy followed in the early days of Provincial finance.

"This is the more difficult to accomplish as in point of population we are the second largest province in India. The density of the population too is higher in Oudh than in any other part, while that of the Agra Province very closely approximates to that in Bengal.

"Of the 61 larger cities in India no less than 17 are within our boundaries, and out of the 22 cities with a population of 100,000 and over we have no fewer than 7.

"Now taking as a typical example our expenditure on education, I see that in the year ended March 31st, 1907, we spent Rs. 43,27,257 and only in Bombay and Bengal was a larger sum spent. But as compared with population I find that Bombay spent Rs. 252 per thousand, Burma 209, the Central Provinces Rs. 139, while we come last but one on the list, with an expenditure of only Rs. 91 per thousand.

"The history of each year shows clearly the ever-growing interest taken in the spread of education in the United Provinces, and there is no doubt that no subject comes before the District Boards in which the members take a keener interest.

"My Government had hoped to be able to take over the control of English education at head-quarters of districts as a Provincial charge at a cost of a little over 4 lakhs, and the local funds thus set free would have been available for further expenditure on primary education. In the course of the year a Committee met to consider the question of the improvement of technical education, and their recommendations, which promise much advantage to the Provinces in the early future, will also require funds if they are to be acted on.

"At present our finances are crippled by the large expenditure required for famine relief, and though the Government of India is coming to our aid in a very substantial manner, and the United Provinces Government has been enabled to make a start towards the fulfilment of these schemes, I fear that many of our much-needed improvements will now have to wait for some considerable time before we shall be able to see our way to make even a fair commencement of them, if we have only our own resources to look to."

The Hon'ble MR. CHITNAVIS said:—"My Lord, the present Financial Statement is overshadowed by Famine, and the Hon'ble Finance Member is

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entitled to credit for having made an ample provision for the calamity at the same time that he expects to close next year's accounts with the substantial surplus of £571,500 or Rs. 85,72,500. In addition to the actual extraordinary expenditure on account of Famine, large suspensions and remissions of revenue are allowed. We all sincerely hope and trust that the provisions thus made will be sufficient to meet the difficulty. But, my Lord, the occasion demands a searching investigation into the whole subject of Famine. The people gratefully acknowledge the Government's solicitude for the prevention of loss of life from starvation; nevertheless, it may be doubted if everything has been done to remove the root-cause of the evil. My Lord, with all the perfection of the Famine Administration, the broad fact of the frequent recurrence of Famine in this unhappy land requires careful and earnest consideration. The necessity for making large suspensions and remissions of revenue even on the appearance of a Famine which, according to the Hon'ble Finance Member, is a tame affair compared to the past Famines, warrants the inference, as pointed out by me on previous occasions, that that revenue is assessed at its highest limit, which does not leave much margin to the farmer. As a matter of fact, my Lord, in the Central Provinces an unusually large proportion of the gross collection is taken by Government in revenue and cesses. This rack-renting makes the land-holding classes hopelessly dependent upon the seasons for sustenance, and prevents accumulation of capital for remunerative employment in the industries.

"The argument, my Lord, is not new that an agricultural country like India must be more or less affected by famines. It may be doubted, to put it mildly, if famine is so necessary a concomitant of an agricultural country; but conceding for argument's sake that the proposition is sound, an enlightened Government has a serious responsibility. Manufacturing industry, as must be evident, makes the people prosperous and independent of seasonal vagaries. The absence from the present Famine of the painful conditions usually associated with Indian Famines, which is noticed with such satisfaction by the Hon'ble Finance Member, will on careful examination be found to be due to a large extent to the growth of Indian manufactures, and the consequential rise in wages. Operatives are now better off than before, and manage somehow to struggle on in spite of high prices. In these circumstances it is the incumbent duty of the Government to foster and encourage industries in the country, not only to relieve the pressure upon land, but to give employment to the unemployed, and to increase the staying power of the people. My Lord, with all the benevolent intentions of Government, much unfortunately has not been done by it in this line. All the manufacturing countries of the world have passed through a stage when protection was found necessary, advisable and exigent. England has not attained her present industrial development without years of artificial help of this nature. Some of the European countries and Japan, with all their advancement, even now support their industries with bounties. But, not to speak of bounties, which, if given, would be money well spent, the Indian industries, though in their infancy, are absolutely unprotected. When a few years ago Government felt itself constrained by financial reasons to impose a small import duty, a countervailing excise duty was also imposed, albeit it was not wanted by the Finance Minister, and the cotton goods upon which it was imposed did not enter into competition with Manchester goods. The result has been regrettable. The impost has done Manchester precious little good, but it has seriously handicapped the Indian manufacturer in his competition with manufacturers of countries like Japan which support indigenous industries with bounties. Only the other day the Bomanji Petit Mills of Bombay had to close their Hosiery department for this artificial advantage which Japan enjoyed and the artificial disadvantage which the excise duty upon cotton goods imposed upon Indian manufactures.

"The Indian railways, notwithstanding difference of opinion about the propriety of State ownership, are a State concern. Government is spending millions of pounds sterling year after year upon them. The department is well cared for even in this year of Famine, but the freight charged upon goods is distinctly disadvantageous to Indian manufacturers, so much

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so that distant countries like Japan and Germany can place their manufactures on the market on the seaboard at a far less cost than the Indian manufacturer working in the interior. This clog to Indian Industry was the subject of complaint in Dewan Bahadur Ambalal Sakarlal's Presidential Address at the last Industrial Conference at Surat. He observed that 'it costs nearly Rs. 15 per bale of yarn or cloth sent from Ahmedabad to Cawnpore or Calcutta, while it can be sent to the latter place by rail and sea combined for nearly half that sum.' Mr. A. C. Chatterji, I.C.S., of the United Provinces, was likewise explicit:

'One of the most interesting and difficult questions that have cropped up in connection with my inquiries in the United Provinces is that relating to railway freights. Many of the existing industries complain that it is hopeless for them to find a market for their produce in the large towns on the seaboard, because railway freight even at the lowest rate over long distances in the country is higher than sea freight from competing countries like Japan and Germany.'

"It is difficult to believe that a satisfactory re-adjustment of rates is impossible through Government influence.

"In the Appropriation Report on the Accounts for 1906-1907, the increased supply of beet sugar from Germany and the unprecedented imports of cane sugar from Java have been made the subject of comment. If these imports go on unchecked, there will be small chance for the Indian sugar manufacturer. Barring the enactment of the Indian Sugar Duty Act of 1899, this Government has not done anything to stop the swamping of the Indian market by foreign sugar.

"The Hon'ble Finance Member has taken care to inform us that the Commonwealth of Australia has recently 'imposed a duty of £1 per ton on salt *imported from outside the Colony*.' This impost is obviously due to the anxiety of the Commonwealth for the development of its own salt industry. The adoption of such protective import tariff is perfectly justifiable in Australia, and *à fortiori* would be justifiable in India; but we find instead a heavy excise duty levied upon salt manufactured in India. Indeed, the income from that source in 1906-1907 was far larger than from the import duty on salt, *viz.*, Rs. 4,21,69,000 against Rs. 1,93,21,000.

"My Lord, the most carefully-devised protective tariff would of itself be powerless to do much for industrial development, and small hope of industrial success can be entertained without the initiation of a comprehensive system of Technical Education; but that remains a desideratum. I note with gratitude the creation this year of a few more Technical Scholarships tenable in foreign countries on the lines suggested by me last year. I hope the scope of the Scholarships will be further enlarged, and their number increased; but such Scholarships alone cannot train a nation. I respectfully point out again that well-organised Technical Institutes at important centres are urgently required in the country.

"My Lord, the public of India expect that the Government will rise equal to the occasion, and adopt vigorous measures for the protection, encouragement and expansion of the existing indigenous industries, as also for the introduction of new industries, if only to insure the country against a possible famine. And the prayer is not extravagant that Government should, for its own interests as much as for the relief of the landholding classes, limit its demand upon land to a more moderate figure, so as to allow ample provision against contingencies.

"High prices, my Lord, are another very disquieting factor. They have affected the Hon'ble Finance Member's calculations. The cost of maintenance of the Army has increased in consequence. The alarming feature of the rise consists in the fact of its apprehended continuance. It behoves Government to inquire fully into the causes, and to take steps for the removal of such of them as may be capable of administrative treatment. And it will be well to have a Joint Committee of Inquiry of officials and non-officials, and for which I am glad to note that my friend Mr. Gokhale has today pleaded so powerfully.

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" My Lord, despite of the Hon'ble Finance Member's remark that Government is in no position to undertake any measures for the remission of taxation, I respectfully submit that, in view of the substantial surplus expected in 1908-1909, the excise duty on cotton goods could be easily abolished. It is not a very productive source of revenue; the maximum income from it has been Rs. 32½ lakhs. The budgeted surplus more than covers it twice over. The abolition of the duty ought to engage the serious attention of Government.

" Although the question of the abolition of the remaining salt-duty of Re. 1 per maund cannot be profitably discussed this year, the Hon'ble Finance Member has been at some pains to prove that the duty is the lowest charged by any Government, and he has quoted figures for some of the leading European countries. The table given shews that the tax is  $2\frac{1}{2}d.$  per head of population in India against 8d. in England, 11d. in Germany, 2s. in Italy, 15. 2d. in Austria-Hungary, and 6d. in the Netherlands. But the heaviness or otherwise of a tax has to be considered in the light of the capacity of the people to bear it; and any comparison with imposts of other countries which does not take into consideration the different incomes per head of population must be fallacious. The question is,—Has the penny the same value to the Englishman or to the German as it has to the Indian; in other words, is the purchasing power of the coin the same in the European countries named as it is in India? My Hon'ble friend Mr. Gokhale has just shewn it is not. That being the position, the table will be found unconvincing. There would not, however, be much objection to allow the import-duty to stand, provided the excise-duty upon local manufacture is abolished or considerably reduced.

" My Lord, the Hon'ble Finance Member justly observes that 'the occasion is one for rigid economy and retrenchment wherever it can be effected,' but this golden rule seems to have been overlooked in providing for the Military Expenditure, the Capital Expenditure on Railways, and the Civil Department Charges. The Military Expenditure during 1907-1908 is expected to be somewhat less than the budget of last year, but the reduction will not be due to the enforcement of economy. It is accidental. The department clearly could not consume what was given. Next year too the budget stands at the high figure of £20,754,400 against the Revised Estimate of £20,520,500 for 1907-1908! After the Anglo-Russian Agreement, India expected she would be relieved of at least a portion of the heavy annual burden. The subject ought to engage the earnest attention of Government.

" The most disquieting news about this Military Expenditure is that the Government is ignorant of the possibilities of the recommendations of the Romer Committee. It is alarming from its very vagueness. The Indian public contemplate the possibility of an addition to the already heavy burdens on account of the Army and the Military Defences with the gravest apprehension; and if the contingency happens, it will be extremely difficult for the Government to remove the popular impression that larger burdens are from time to time thrown on the shoulders of helpless India by the British Government for its own convenience and financial relief.

" It remains to be seen how far the creation of a Controllership for the whole of India will help in the reduction of Military Expenditure. The cost, which, with the expansion with time of the Office, is bound to be heavy, will be a net addition to the total expenditure. The compensating advantage will have to be proved.

" The Government is once again liberal in the matter of Railways. Ten million pounds sterling are provided for Capital Expenditure in 1908-1909! And yet the returns are admittedly not commensurate with expectations, and the increase in working expenses has been serious enough to alarm the Hon'ble Finance Member. The utilisation of the surplus and the cash balances in the construction of railways is open to objection on principle. In the opinion of many, surpluses should in the first instance be used in reduction of taxation. If it is now decided to spend a large sum of money on Railways, I think it will be well to allocate a sufficient amount for the Itarsi-Nagpur Railway as a famine project. Money so spent should be strictly limited to areas affected by famine.

## [Mr. Chitnavis.]

"The Civil Departments, my Lord, in common with the Military Department, shew a tendency to extravagance. The charges are increasing all round, and their future is unknown. What with regular increase of pay, early retirement, tour charges, sumptuary allowances, etc., the total cost in the Civil Departments is growing enormously. And this notwithstanding the fact that the Administration is now in the majority of local areas a matter almost of routine. There is a deal to be said for retrenchment and reduction, and hardly much for the multiplication of offices. High offices are being multiplied which cost the country a very large amount. Their number should be the subject of the closest scrutiny. Surely the time has come when the jurisdiction of Collectors can be safely enlarged. At any rate, without going into details, the subject is sufficiently serious to justify an appeal to Your Excellency for an investigation into the possibilities of retrenchment in the Civil Departments. Superannuation at age 60 instead of at 55 is likely to afford appreciable relief to Government.

"My Lord, one word about the grant for Irrigation. The progress made in irrigation as a whole is satisfactory, but I beg to point out that the Central Provinces have not had their legitimate share. The recommendation of the Irrigation Commission has not been given effect to, and the scheme of a total expenditure for the irrigation of the Provinces of three crores of rupees in twenty years, at the rate of 15 lakhs of rupees a year, should be faithfully worked. There is an impression in certain quarters that irrigation does not pay in the Central Provinces, and that the water-rate of Rs. 2 per acre cannot be realised. I do not think it will be difficult to realise a moderate rate from people who, though poor, cannot do without irrigation works. But even if the full rate is not recovered, and the works do not prove *productive*, they should be executed as *protective* works. The Hon'ble the Chief Commissioner, speaking at Raipur the other day, referred to two schemes which have been submitted for sanction to this Government. I sincerely hope they will be sanctioned and the recommendation of the Irrigation Commission will be loyally carried out.

"My Lord, the new departure made by the Government of India in the matter of sanitary improvement must be hailed with joy all over the country. It marks a wholesome change of policy which is pregnant with great possibilities. The recognition of its responsibility in the matter by the Imperial Government is a happy omen. The grant of 30 lakhs of rupees is too small, to be sure, having regard to the needs of the country; but once the principle is recognised, there is a reasonable hope for expansiveness in the allotment in time. I feel grateful that the suggestion I made last year on this point, has received a considerate treatment at the hands of Government.

"My Lord, the bulk of my remarks today refer to the industrial development of India, and for the best of reasons. To my mind, that is the most important and exigent problem now before the Government. We hear a good deal of unrest, but, in my opinion, whatever restlessness there may be in the country is economic in origin. I do not mean to suggest that contributory political and social causes are absent; there are, as a matter of fact, powerful political and social causes at work; but the chief cause of discontent appears to me to be *want*. My Lord, no class of the people is free from the baneful and irritating influence of this all-pervading evil, which is, to a large extent at least, the effect of a civilisation unsuited to the habits, temperament and peculiar circumstances of the country. With the gradual working of the disruptive laws of succession and the break-up of the joint family system, most of the ancient families are ruined, notwithstanding the paternal care of the Courts of Wards; with the limitations upon their authority, the landholding classes have lost their capacity, prestige and power; increased competition for career has reduced the prospects of the respectable classes who have for centuries supported themselves by service, while the progress of an attractive material civilisation has instilled into them high ideas of ease and enjoyment, and placed these beyond their reach by their costliness; and the lower classes, although in receipt of higher wages at places, have lost

[*Mr. Chitnavis; Munshi Madho Lal.*]

the pristine simplicity of rural life, and, with their habitual want of forethought, have become spoilt by the example of the higher classes, and been drawn into reckless and ruinous expenditure. The high prices, for which free international trade is to some extent responsible, have affected the whole nation; it is the same cry everywhere; it is want and struggle for existence. So long as this want remains, the result is not only distress and disease, but also discontent and a desire for change. This is the problem therefore that the Government ought to apply itself to with all the philanthropy, enlightened self-interest, and statesmanship which have characterised its action in the past. Do what you might, Your Excellency will leave the germ undestroyed unless this want is removed. And this can be best done by the expansion of the manufacturing industry of the country along with the adoption of subsidiary measures for affording relief to the community, agricultural and non-agricultural. The prosperous condition of the mill operatives in the large manufacturing centres proves this. The industrial development of India claims therefore serious consideration. I do not doubt the intentions of Government. The measures taken from time to time for the promotion of the education of the people in Technology and Economics demonstrate forcibly the sympathy and the earnestness of the Government in this matter. The announcement at the last Convocation of the Calcutta University of the creation of a Chair in Economics affords one more proof of the keen interest Your Excellency takes in the subject. But, while I cordially acknowledge all that Government has done to encourage Indian industry, as an humble representative of the people it is my duty to press the matter upon its attention, and to appeal to Your Excellency for a more thorough, vigorous and liberal treatment of the subject.

"Plague and other epidemic diseases have also taxed the patience of the people, but Government has wisely taken a new departure in the treatment of this evil.

"The natural yearnings of the people for political advancement is the most important of the contributory causes of discontent, and I am glad this aspect of the question is receiving sympathetic consideration at the hands of Government. But there is one other matter to which Your Excellency's attention must be invited: the Administration, besides being costly, is too complex, exotic and unimaginative. There is a bewildering growth of institutions, departments, and redtapism, enough to give a rude shock to the easy Oriental nature. Changes are sudden and appear in quick succession. All the conventional ideas of the people have been displaced; even the framework of society has been rudely shaken. The natural leaders have lost their prestige, and with it their influence. With loss of position the landlord has ceased to command respect, and is powerless to give legitimate direction to the thoughts and activities of the masses. With a feeling of amazement at the complexity and rigidity of the Administration and the changes happening all round, the people suspect, wrongly I am sure, Government is unmindful of their interests and slow to redress their grievances. And this feeling, made capital of by irresponsible agitators, is at the root of much of the present discontent, which is accentuated by an annoyance and impatience at taxation in general, and direct taxation, like rates, etc.,—unfortunately a growing item—in particular. When the Government has combated the economic evil and epidemics, has simplified the Administration and rendered it less costly and more studious of the public wishes and aspirations, much will have been done to ensure the permanence of British rule in India, and to fix it firm and broadbased upon the affections of a contented and loyal nation."

The Hon'ble MUNSHI MADHO LAL said:—"Your Excellency, the criticisms that have just been offered by Hon'ble Members have been so able and exhaustive that it will not be right for me to take up much time of this Hon'ble Council. I shall try to be very brief in my observations. Last year both the Hon'ble Mr. Reynolds and myself had to complain of the parsimonious

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way in which the United Provinces had been treated financially. This year I am glad to be able to thank the Government of India for its generous treatment. The Finance Minister has been able to make some substantial contributions. It is patent from the clear and concise memorandum of the Financial Secretary, which accompanies the lucid statement of the Finance Minister that although it has not been possible to set apart much money, owing to the eccentricity of the season, for public improvements, the Government of India has generously dealt with our United Provinces, which are most depressed, with regard to the allotment of funds for famine relief, sanitary improvements and police reforms. It has already extended its support to the Local Government's scheme of industrial progress with which Sir John Hewett's Government has identified itself.

"Although my Hon'ble colleague, Mr. Baker, has not this year been so lucky as he had been in the past, he has laid on the Council table a hopeful financial statement for which he deserves our congratulations. The accounts of 1906-07 closed with a surplus of £1,589,300, being £263,200 above the revised estimates. But the famine of 1907 completely altered the situation, and in the revised estimates of 1907-08, there was a falling off of revenue accompanied by the restriction of useful and even necessary expenditure and a marked shrinkage of the surplus balance that was expected. The Budget Estimates of 1907-08 provided for a revenue of £72,753,000. The Revised Estimates showed only a revenue of £70,989,200. The public expenditure had to be reduced from £71,725,000 to £70,753,000, and the expected surplus at the end of the year dwindled from £774,000 to £235,000. For the year 1908-09, the revenue has been estimated at £73,438,900, the total expenditure at £72,867,400, and the surplus at £571,500. This surplus the Finance Member is sanguine enough, thanks to his robust optimism, to calculate on the assumption that the season will be normal. In the existing circumstances I can quite understand why it is not in the power of Government to undertake anything in the way of remission of taxation or do very much towards increasing useful expenditure for the development of the country. I trust, however, that the promised experiment of that much-needed though long-deferred reform of the separation of the Judicial and the Executive will no longer be put off.

"The Hon'ble Mr. Baker believes that if the monsoon be normal there is every reason to hope that the progress of the country will resume its usual course, and that the set back which it has met with in the present year will rapidly be made good. Little did we anticipate last year that the present year would be so unfortunately eventful and that the country would once more be in the grip of famine which will cover an area of 118,000 square miles in British India and 15,000 square miles in the States of Central India and affect a population about 49 millions. And it is not the agricultural population alone that has been affected by the famine, but as is admitted by the Finance Minister 'the distress caused by high prices has undoubtedly affected all classes and has pressed with great severity on the urban populations and on all who are dependent on small fixed incomes.'

"Here the reflection forces itself upon us, what if the crops fail again, by the uncertainty of the monsoon? A writer in a Calcutta newspaper, a few days ago, showed that while in the first half of the last century there were seven famines, during the succeeding quarter of the century there were no less than six, while in the last quarter there were as many as nineteen. Whether these figures be quite accurate or not, there can be little doubt that of late the famine has proved itself to be a pretty frequent visitor, and that within the last forty years prices of food-grains have nearly quadrupled, that the daily increasing dearness of living has caused a marked decrease in the powers of resistance and recuperation of the masses. The recurrence of famine in rapid succession, the tenacity with which the plague has held on, the decimation of

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large numbers of people from small-pox, fever and other preventible diseases, tend to make one sceptic of the value of paper calculations. When disease cripples and death depopulates a country, how can its revenue be ensured? In the words of Aristotle to Alexander, 'thou knowest already that the people are thy treasury which thou must carefully preserve and replenish, for thereby thy kingdom is established.'

"It is not due to famine alone that our resources have been crippled. The Plague has come to stay. Then again hundreds, nay thousands, die every year from Dysentery, Diarrhoea, Fever, Small-pox and Cholera—diseases which science can combat with and even prevent by improving the sanitation of the country as also the general physical condition of the people rendering them less susceptible to their ravages. To say that the sanitary condition of the country is capable of very great improvement is repeating a truism. It is unnecessary for me here to quote figures in support of my contention. In my own provinces the mortality from preventible diseases has of late been enormous. In Bengal, where the country all round is water-logged and the drinking water in most places is simply filthy, the wonder to me is how people live and not why they die. The Budget Estimate no doubt provides for a special assignment of 30 lakhs to Local Governments for sanitation, out of which the United Provinces have been lucky enough to get the largest share, *viz.*, 5 lakhs. In this connection I again beg to press upon the attention of the Government the claims of the Benares Drainage Works, regarding which I spoke before this Council last year.

"My Lord, by far the heaviest item of expenditure is under the head of military charges, the total of which has been budgeted at—

£
20,754, 400 for 1908-1909 as against
20,520, 500 for 1907-1908,
21,586, 086 for 1906-1907,
21,059, 411 for 1905-1906,
21,906, 377 for 1904-1905.

"I am too old-fashioned to ignore the ordinance of our great Law-giver, Manu, who says 'By a king, whose forces are always ready for action, the whole world may be kept in awe; let him then, by a force always ready, make all creatures living his own.' We want a force well-manned and well-equipped, in order to hold our own against all-comers. And in this matter expert advice is of very great value. We are lucky in having in our midst one of the greatest military experts of the day. But there is an obvious danger in letting the military have a free rein. In the words of Sir Robert Peel—'If you adopt the opinion of military men, naturally anxious for the complete security of every available point, naturally anxious to throw upon you the whole responsibility for the loss, in the event of war suddenly breaking out, of some of our valuable possessions—you would overwhelm this country with taxes in time of peace.' His Excellency the Commander-in-Chief is, I am glad to note, anxious to secure efficiency with economy in all his attempts at reorganisation of the Indian Army. The only question which will demand before long the serious consideration of Your Excellency's Government is whether under the present political conditions it will not be possible to reduce the strength of the Indian Army, consistently with order and good government, the more so in view of the remark recently made by the Secretary of State for War.

"For, after all, the security of the Government, as every schoolboy knows, lies not only in the strength of its Army, but also in the contentment of the People. To quote again from one of Aristotle's letters to Alexander—'Know that thou can't not reign over persons and govern their hearts but by means of justice and righteousness.' Or as Jeremy Bentham said—'If you would gain mankind, the best way is to appear to love them, and the best way of appearing to love them is to love them in reality.' Of late we have been

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hearing much of 'sympathy between the rulers and the ruled'; and attempts are being made in high quarters, I am glad to bear testimony, to foster friendly feelings amongst Indians and Europeans. But the spirit of sympathy and good understanding has yet to permeate through all the grades of officialdom before the widening gulf between the governors and the governed can be bridged over. Just as the members of the ruling race need great tact and sympathy in their dealings with the people, my countrymen also should, I think, have less impatience and more tolerance in criticising public men and measures, and try to take a more charitable view of Governmental actions. There is such a thing as winning hatred by love, and suspicion by confidence. No sane man objects to any legitimate means of advancing home industries or of developing the resources of the country. But in doing so let no bitterness possess us; let us work within the law, with faith in our cause, cheerful in the hope of its ultimate success; and then we cannot but enlist the sympathy and co-operation of all right-thinking men.

"My Lord, we have it on the highest authority that sympathy is the keynote of the British administration in India. Of kindly professions and good intentions on the part of our rulers there can be no doubt. But what the country wants, in the midst of the new ideals born of Western education and modern enlightenment, is some *practical steps in advance* in the administration of the country. The Indians are a most peaceful and law-abiding people in the world, and to secure their goodwill and allegiance is not very difficult. True, want of education is sometimes a stumbling-block in the way of their proper appreciation of some Government measures. But they are generally fairly shrewd observers of men, and much depends upon how the representatives of the Government behave with them. As to the educated community Your Excellency was pleased to observe not long ago that though very small in numbers, compared with the vast mass of the population, they are not a negligible quantity, and I submit that their voices demand earnest and sympathetic attention of the Government. A Government that strives to conciliate and advance its subjects can hardly be accused of weakness. My Lord, the scheme formulated by the Government of India for the expansion of the Legislative Councils and the establishment of Advisory Boards is good in its intention. I hope, however, that to make it a real boon the Government will see its way to modify it materially. As I have already stated my views on the subject in another place I do not consider it necessary to repeat them here. I sincerely hope and trust that Your Excellency's administration will be signalised by the grant of substantial political boons to my countrymen, and that the economic question will find a solution which will be to the advantage of India and England. The most natural demand of the educated community for a larger share in the administration of their own country is daily growing stronger. Let England discharge its duty by India, of uplifting it once more in the scale of nations, and of making it occupy a worthy place in the Empire."

"My Lord, last year I tried my best to plead before this Hon'ble Council on behalf of Lady Ind. The past year has been unlucky for her. Not only were the Home authorities not moved by my appeal, but even the gods have been unpropitious. And to crown all, her young ones have, in some cases, shown distinct signs of restlessness. My Lord, it is the function of a paternal Government to enforce discipline and to properly train its children; but let me beg the Government that in chastising unruly ones let their ears not be pulled too hard, and let not hardened criminals and hairbrained enthusiasts be dealt with in the same way. Occasional connivance at shortcomings pays in the long run more than constant and stern rigidity. Boys are boys all the world over; and it is not always wise to hound them: though efforts to keep them confined to their legitimate functions should be welcomed by all true well-wishers. I trust that the responsible leaders of public opinion in this country will so guide their countrymen as to win the sympathy and support of a Government which, though foreign, cannot be replaced for a long long time to come by a better one, be it foreign or native. May the Supreme Ruler of the Universe so direct the affairs of the Government of our beloved King-Emperor as to bind in a golden chain of love the hearts of all his Indian subjects to his august throne."

*[Maharaja of Darbhanga.]*

The Hon'ble MAHARAJA OF DARBHANGA said :—“ My Lord, considering that the Budget which has been presented to us is a famine one, I think we may congratulate ourselves upon the financial forecast given by the Hon'ble Mr. Baker for the coming year, and be thankful that it is no worse. The Budget neither remits nor increases taxation. There is no heroics of any kind mentioned, and there is the prospect of a fairly good surplus at the end of the financial year. This is a matter for satisfaction.

“ I am glad to see that a beginning has been made in the simplification of accounts, in the separation of local from general finance, in the grouping together of the military figures, and, not least, in the classification of public debt. Now that the process of simplification has begun, the department responsible for classifying the various accounts may be induced to continue their good work and give us fresh specimens of their enlightened endeavours when the next occasion comes round.

“ I note with pleasure, my Lord, that there has been a decrease in Military expenditure, but surely the time has now come when the Government ought to consider seriously the advisability of materially reducing the burden on the people caused by the upkeep of our huge Military establishment. Let it be done gradually if you will, but now that our North-West frontier is secure from invasion by the Anglo-Russian Agreement, it appears to me that a smaller army than now exists ought to be sufficient to maintain peace within our borders and thus liberate a vast sum of money for more profitable investments in the expansion of railways, irrigation, scientific agriculture, and the exploitation of our Fisheries. My Lord, I put it respectfully to you that Rs. 30 crores per annum is rather too high an insurance premium for the Indian people to pay in a time of peace, and I trust the Government will take this matter into their serious consideration.

“ The liberation of a few crores of rupees by means of a lessened Military expenditure would put it in the power of the Government to give an increased development to the railway systems of the country, and to provide for adequate transport facilities, now far short of what they ought to be—for the rapid development of traffic now going on. The present high price of coal has already seriously increased the working expenses of our railways, and is tending to cripple many of our industries whose very existence depends upon getting their necessary fuel at moderate rates. One of the main factors in the present exorbitant prices of coal is doubtless to be found in the great shortage of wagons for transport, coupled in some cases, with the want of efficient management in the quick handling of the rolling-stock for transport purposes only, and in preventing the wagons from becoming mere coal godowns. The throttling of commercial traffic is a very serious one for the country, and I am glad to see that the Railway Board, in their report, are thoroughly alive to the gravity of the situation. The Government have during the last twenty-seven and a half years received twenty-six crores profit from the East Indian Railway alone, and in view of such good results it is mild criticism to say that to keep the lines short of rolling stock is equivalent to something like killing the goose that lays the golden eggs. I am glad to see however that part of the three crores loan is to be expended on railways, and doubtless an adequate addition will be made to the number of wagons required for the increasing traffic.

“ Sanitation, my Lord, is a subject of perennial interest to us all, and I notice that Rs. 30 lakhs have been budgetted for allocation amongst the various Provinces on this account, which is so far well. But there is one matter, on which I trust Your Excellency will at this time be able to give us some definite information, and that is regarding the scheme for the Improvement of Calcutta. It is now seventeen years since the Sanitary Commission gave in their report, and today we seem not to be much further forward than we were at that time. That report revealed that there were congested areas in Calcutta reeking in filth and disease, where the number of inhabitants were four times as dense as

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in the most congested parts of London, and nothing has yet been done to mend this state of matters. A Calcutta Improvement Scheme has been dangled before our eyes during recent years—a scheme which was to turn our metropolis into the Queen of the East. May I respectfully ask the Government, where is that scheme now? Does it still exist? If so, when is it to come into operation? Perhaps the Government may take us into their confidence and tell us wherein lies the hitch? Is the difficulty one of finance? There are fifty lakhs lying in trust with the Government of Bengal for the scheme, and, as has been suggested before, there is our great monopoly of Jute, a moderate export duty on which would pay for the whole cost of the improvement of our metropolis out of the pockets of our foreign customers, without any burden being felt here at all, or without the chance of hurting the industry in the slightest degree. It is absurd to say that an article which we alone can sell cannot stand a small tax, seeing that the price can range from £13 10s. to £26 per ton, the rate it touched during the last year, without any cessation in the demand for the article. I suggest therefore that if financial considerations form the hitch, the remedy may be found in putting a moderate tax on Jute.

"Anyhow it is surely high time this Calcutta Improvement Scheme was launched, for it has now been abundantly proved that all the other experimental measures which have lately been in vogue for checking the ravages of plague, such as disinfection, inoculation, rat-catching and flea-hunting, while these may have had some ameliorating effects, there is nothing that can have any lasting effect in extirpating the scourge of plague and other diseases begotten in filthy conditions, than by rooting them out of their lairs by effective sanitation in such a manner as this Calcutta Improvement Scheme was designed to bring about. I trust therefore that the Government will today be able to give us some authoritative and satisfactory deliverance on this most important subject. Perhaps the Hon'ble Member for the Home Department will forgive me if I remind him that in his speech on the Budget Debate last year he made the distinct promise then that the Calcutta Improvement Scheme would 'soon' come into being.

"The food supplies of the people naturally call for consideration in time of famine, such as a large part of the country is passing through at the present moment. To meet the pressing needs of the starving thousands the Government have been prompt in supplying enough food to keep body and soul together, and the voluntary organisation recently inaugurated will, with the funds placed by the public at their disposal, supplement State aid by giving other alleviating comforts to the suffering people. But after all, while it is good and right to meet famine in these ways when it all too often makes its appearance, it would be better if we did our utmost to bring about conditions which would go far to banish famine altogether from the land. I mean by increasing the food supplies of the people by the greater development of scientific agriculture and by the exploitation of the fisheries in our coastal waters and our inland streams.

7. My Lord, agriculture, as has often been said, is the first and most important interest in India, and the Government, during recent years, have not been slow to recognise the fact, and by the establishment of agricultural colleges here and there, and by the model experimental farms, have made a beginning in tackling the all-important subject. But let us all recognise that it is only a beginning, although a very promising one, that has been made up to the present time. It is good by means of these comparatively few experimental farms to show that with selected seed, proper preparation of the soil, and by the use of the most suitable fertilisers, two blades can be made to grow where only one grew before. It is good also to issue all this most valuable information by the means of reports. But these have little effect on those chiefly concerned, viz., the cultivators themselves, for they seldom see these documents, and the passing visits of itinerating instructors throughout large districts produce very little effect in moving the raiyat out of his old ruts. What is really wanted is that scientific agriculture should be made an indispensable part of the primary

[ *Maharaja of Darbhanga.* ]

education given in all our schools. Nine-tenths of our population are of the agricultural class, and it is by catching the children of the raiyats at the village schools and by early indoctrinating them there with sound instruction in principles of scientific agriculture, illustrated in a pleasant way by experiments in gardens such as are attached to some of the schools now, that a real living and abiding interest will be taken in this question of all questions for the salvation of our land from the desolations of famine.

" Important as a training in the three R's may be, it is in my opinion more important still that the children destined to be cultivators of the soil should receive a sound agricultural education in our primary schools, if any real progress is to be made towards increasing the productions of the soil so as to give our fast increasing population an adequate supply of food. Money will of course be required to provide for such agricultural education, but I am sure Your Excellency will agree that such money will be well spent, for like good seed, it will yield a rich harvest in the near future. Probably His Excellency the Commander-in-Chief may be able by future judicious retrenchments in the Military Budget to enable the Government to have money at their disposal for giving this much-needed agricultural education in all the primary schools throughout the country.

" My Lord, the whole question of food-grain supply is one of the most vital and pressing problems which demands solution at our hands. In the course of my remarks on the Budget last year, I made a respectful request that the Government of Your Excellency would be pleased to grant a Commissioner of Enquiry to examine into the whole subject. In reply the Hon'ble Financial Member of Council said : ' There is no doubt that prices have ruled very high during part of the past year. I have seen it stated in the papers that a Committee has been formed under the presidency of the Hon'ble Maharaja to consider the situation, and, if possible, to devise measures to meet it. If the Maharaja's Committee (" Annarakhini Sabha ") is able to devise any means of mitigating the difficulties, its labours will be deserving of encouragement. Until we see what the Maharaja's Committee elicits, I do not think there is any occasion for a Government Committee of Enquiry.'

" My Lord, the members of the Sabha have placed before me a statement, the perusal of which has made me more inclined than ever to press upon Your Excellency the absolute necessity which exists for the formation of a small expert Government Commission to enquire into the whole matter. The facts and reasons demanding such an enquiry may be stated as follows :—

- (a) In 1866-67 (Orissa Famine) the area most affected was 12,000 square miles, containing a population of about four millions of people (*vide* Famine Commissioner's Report of 1878).
- (b) In 1873-74 (Bengal-Bihar famine) the area affected was 40,000 square miles, and the population affected was seventeen millions (*vide* Famine Commissioner's Report of 1878-80).
- (c) In the present year the area affected is 150,000 square miles and the population affected is fifty millions. (I quote from Your Excellency's speech in the Town Hall on the 17th March current.)

" My Lord, you will observe that the foregoing facts and figures distinctly show that the area and population affected by successive famines have been rapidly on the increase.

" During the first half of the 19th century there were nine famines affecting different parts of India, whereas during the second half of the same century there was no fewer than twenty famines, including the famine of 1901, affecting different parts of India. These facts show an alarming increase in the extent of these calamities.

" My Lord, it has been acknowledged by your Government that the prices of food-grains this year are ' much higher than during the great famine

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of 1900, and distinctly higher than in 1897." But the high prices this year have one special characteristic distinguishing them from their predecessors. They are not confined to the affected area, but are universal almost over all India. This rise in the price of grain all over India tends, in my opinion, to show that the affected districts of India are largely importing food-grains from the unaffected districts, and that the time is not distant when exports of food to foreign countries will so exhaust the resources of India as to render them incapable of affording the surplus which may be required for the affected districts.

" My Lord, I have seen it stated that 'the export trade encourages production and creates a reserve which can be drawn upon in time of scarcity.' I am afraid that this 'reserve' is more or less a fiction as it is spent in buying necessities of life, the prices of which have a tendency to rise *pari passu*, with the rise in the price of the staple food-grains. If there had been a 'reserve' in the country there would have been a staying power with the people. But the facts prove otherwise. No sooner does one monsoon fail, or show signs of failing, than scarcity at once begins to be felt.

" My Lord, the price of rice, the staple food of Bengal, was about Rs. 1·8 per maund in Calcutta in 1866-67. Today it is between Rs. 7 and Rs. 8 per maund. This increase is phenomenal and perhaps unique in the world's prices of food within so short a period. This rapid increase in the prices of food-grains has a reflex action on the prices of all other articles of human consumption, and until this tendency is brought under proper control, the results will be of a serious order. I know that the general idea is to cast all the responsibilities for famine on the freaks of the monsoon. But monsoon freaks occur with neither more nor less frequency than they have ever done from the days of old. But the present differs from the past in that there is no reserve of food now when famine occurs and consequently no staying power among the people. My Lord, I could say much more in support of the proposal I have respectfully made, but I trust Your Excellency will feel that I have said enough to influence the Government of India to make a wise concession to popular opinion and grant a Select Commission of Enquiry to examine into the whole question of the Food Supply of the people and all things related thereto. Your Excellency is aware that a private Commission would not have the same weight or authority in the eyes of the public, nor could it collect its information in the complete manner in which a Government Commission would have at its disposal, and I need hardly add that its conclusions and recommendations would not have the same weight as those of an official Commission in the eyes of the Government or of the public. Whatever might be the outcome of an official Commission, I am sure at least that it would convince the country that the Government had made an honest attempt to arrive at a solution of the great problem of the Food Supply of the people. And this in itself would be a good achievement. But the Government Commission would have to be invested with full powers to go into the whole question and be invited to suggest the remedies which they think would cope with the disease.

" My Lord, I may note in passing while speaking of Food Supply that I am glad to see that the Governments of Bengal and Madras have taken up in earnest the question of Fisheries Investigation. The Government of Madras have already made great progress in this direction and have established a Fishery Board under the able superintendence of Sir Frederick Nicholson. In Bengal I am glad to see that the lines are being laid down for experimental investigations, and that a steam trawler is expected out immediately to commence work in the Bay. In this way, my Lord, a lead will be given to private commercial enterprise from which enormous results of a beneficial kind are likely to flow, in not only materially increasing a constant supply of good and cheap food, but also in multiplying the means of national wealth, and bringing into existence quite a number of related industries which are as yet strangers to the land. My Lord, I earnestly trust that the good work now commenced in Madras and Bengal will go on until every

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Province has a Fishery Board of its own, and that Your Excellency's Government will do all in its power to foster such a hopeful enterprise as will result from the scientific exploitation of our coastal seas and our inland waters.

"It might not be out of place here to refer to some inland waters for which we have no use. I mean those which are cooped up by railway embankments in times of flood, because there are no culverts or waterways through these embankments to allow the water to go away. There was a recent Conference at Mozufferpur on this question held by the Commissioner of Patna with the Collectors of Durbhanga and Mozufferpur and the Chief Engineer of the Bengal and North-Western Railway; and in the course of the discussion it was acknowledged by the Chief Engineer that more waterways were absolutely necessary as the recent floods had been caused by the water having no means of getting away. This is a question of national importance, as these waters cooped up by the railway embankments sour the land and render it less fit for cultivation, and bring malarial fever in their train. Some years ago such a state of matters was experienced in the neighbourhood of Calcutta until the necessary culverts were made to allow the water to subside. I trust Your Excellency will call the attention of the Railway Board to this all-important matter, and especially to take notice that the culverts be made in all new railway embankments where it is essential that flood water should have easy means of getting away.

"My Lord, I look forward with some degree of hope to the results of the Decentralisation Commission now engaged in their enquiry throughout India and trust that the outcome will be in the interests of a better and more sympathetic administration in the subordinate ranks of the Government than now exists or, it may be, is now possible. Anything, my Lord, that will tend to dissolve cast-metal bureaucratism, and will bring our subordinate administrators more into living touch with the people in their daily lives, to mingle more and converse with them, to listen sympathetically to grievances, to give friendly advice and to heal differences, will all tend to bring about a more genial atmosphere of feeling between the governors and the governed, and will cause peace and contentment to spring up where unrest and aversion existed before. My Lord, while on the matter of reform, I would like to express my humble opinion that so soon as it can be brought about it would be better to have a uniform system of Provincial Government in India than continuing the methods now in vogue. The Provinces which are now Lieutenant-Governorships should all be raised to the same status as Madras and Bombay, and each Province have a Governor and Council of its own. I am sure, my Lord, that the people of Bengal would welcome such a change as an improvement upon the present system.

"My Lord, may I be permitted to hint that while the growing charges connected with the Administration are beginning to bulk largely in the eyes of the public, criticism is directed mainly to the fact that the increased expenditure has been nearly all for the benefit of the upper ranks of the Civil Service. No one has the least objection to the high officials being comfortably housed according to their rank, and within the limits of moderation; but, my Lord, it is meet at the same time that the subordinate ranks whose salaries range say from Rs. 500 downwards, should, in these days of higher rents and increased cost of living, meet with adequate consideration also. As I have said, I merely hint at the matter, feeling assured that Your Excellency's Government will do what is right in ameliorating the lot of these public servants who now feel hardly hit by the altered circumstances in which they feel themselves placed.

"If I might say a word to Your Excellency regarding the threatened dislocation of some of our public services recently on account of grievances, alleged or otherwise, formulated by employees in some of the subordinate offices, not being promptly attended to by their immediate overseers, I would respectfully suggest that when such employees formulate their grievances a copy of the document which is sent to their immediate overseers should also, at the same time, be allowed to be sent in to the Head of the Department for his information as to what is going on in the ranks of the employees. I am sure, if

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this were allowed, adjustment of grievances, sometimes too long deferred, would receive prompt attention, and strikes hurtful to commerce and to the public generally would in many cases be absolutely avoided.

"It is to be noted with great satisfaction that Your Excellency's Government are now engaged in devising means for more closely associating with yourselves in the Councils of the Government, the most capable men in our various communities whose character, ability and experience mark them out as being fitted for the work; and we have every confidence that Your Excellency will hold the balance even in giving each considerable section of our communities their due and fair share in proportionate representation. In connection with the subject I would suggest, with all due deference, that as the Import and Export commerce of the Empire finds due representation by members of the British Chambers of Commerce on the Imperial and Provincial Councils, the great internal trade, and commerce of the country, which is at least about six times the value of our foreign trade, should also be represented on Your Excellency's Council by the admission of Indian merchants of experience, such as the Hon'ble Mr. Thackersey, who would be able to give valuable advice when matters connected with our internal trade came up for consideration.

"My Lord, in my remarks during the Budget Debate a year ago, I alluded to the question of the Victoria Memorial Hall. I know that this is not a question which is directly under the control of the Government, but it is a matter of national interest after all. The things connected with the Memorial do not seem to be in a much greater state of forwardness than they were twelve months ago. Indeed, there has been considerable controversy, and differences of opinion have arisen amongst the engineers and architects consulted, about the nature of the structure to be erected. And now the plans and estimates are again in the crucible. No one knows what is going to happen; but seeing that eminent doctors differ so much from each other I would again respectfully offer the opinion that before anything further is definitely decided upon, the subscribers should be asked for their opinion as to how the money should best be devoted to honour the memory of the great Queen-Empress.

"My Lord, in bringing my remarks to a close, I would venture to suggest as an improvement on the present course, that the Budget should be introduced early in January of each year, the financial year to close on the 31st December instead of the 31st March as at present. If there are any serious objections to this proposal so that it cannot be entertained, then, as there are often matters connected with and arising out of the discussion on the Budget which might form subjects for subsequent conference with Your Excellency if we only had the opportunity, it would be esteemed as a great and special boon if Your Excellency could see your way, instead of departing immediately after the conclusion of the Debate, to prolong your stay in Calcutta for two or three weeks in order to give those who cannot go to Simla, opportunities for such private conference, for the purpose of making representations on matters regarding which we might wish for further explanation, or for making suggestions on others of public importance which have not come within the scope of the Budget Debate. I am sure if Your Excellency would accede to this proposal the public would esteem your acquiescence with thankfulness and profound gratitude.

"My Lord, when last I had the honour of addressing you on the Budget, India was in a comparative state of unrest from various causes. I am happy to believe that, under the sympathetic and wise rule of Your Excellency, much of the bitterness which was mixed up with the unrest is passing away, with the increase of closer and more friendly feelings between the governors and the governed, and the cordial recognition by the people that the British Raj means well to the country at large.

"I conclude by thanking Your Excellency most cordially for the grace and patience with which you have listened to my remarks."

"The Hon'ble MR. HARVEY said :— "My Lord, I have officiated for a few days only as a Member of Your Excellency's Government, and in ordinary

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circumstances would have felt it incumbent on me to take a very limited part in the debate. But as I have been connected with the Department of Commerce and Industry since its creation and am familiar with the work done in the various branches of business with which it deals, it will perhaps not be out of place for me to review as briefly as possible the principal features of the year's administration.

"The latest available statistics of our sea-borne trade show that the expansion of the last three years has so far been maintained. The total value of imports and exports, excluding Government stores, for the eleven months ending February 1908, aggregates nearly 314 crores, which is an increase of 9 per cent. on the total for the same period of 1906-1907, and is only 4 crores short of the trade for the whole of that year. Imports, which account for the greater part of the increase recorded, are returned at 147 crores, or 12 crores in excess of the value of the import trade for the twelve months ending 31st March 1907. The chief advances are under 'cotton fabrics,' 'railway plant and rolling stock,' 'iron and steel.' There have been large exports of raw cotton, seeds, jute manufactures, rice and wheat, but against these we have to set heavy decreases in raw jute, cotton yarn, and hides.

"I fear, however, that the present rate of expansion is not likely to be maintained in the immediate future. The latest information points to the fact that, in the import trade, there has been a large accumulation of stocks, especially of piece-goods, and the effect of the scarcity in Northern India has, so far as the statistics are concerned, barely had time to make itself fully felt. In all our staple lines of exports, however, the figures for the first two months of 1908 show an appreciable decline, and the total increase up to date is due entirely to the large exports in the beginning of the official year. The exports of Indian manufactures show a net increase of 1½ crores, which is mainly attributable to the increased activity in the jute manufacturing trade in the earlier part of the year 1907-08, but there has been a certain reaction recently due to causes which are well known. The yarn trade with China shows a marked falling off which is only partially counterbalanced by the advance in exports to other markets in the Levant and Europe which Indian traders have recently entered. There has, however, been a greater internal demand for cloth manufactured in Indian mills, which are absorbing a larger proportion of our Indian yarn, and under this head the returns show a satisfactory improvement.

"At all the important ports, measures are in progress to provide for the demands of trade. The Calcutta Port Commissioners have taken steps to acquire the land required for the large scheme prepared by their Chief Engineer. In Bombay, in addition to the construction of the New Docks, the progress of which has been somewhat retarded by unexpected difficulties, the Trustees are undertaking at an estimated cost of 131 lakhs, a large reclamation project which will give a wharf frontage of two and a quarter miles, between Mazgaon and Sewree, and sanction has been accorded to the raising of the necessary loan. Similarly at Karachi, the Port Trust have submitted proposals for the construction of ten ship berths at a cost of 125 lakhs. The erosive action of the river at Rangoon has necessitated the initiation of large and costly measures with a view to the training of the river, and provisional sanction has recently been given to estimates in connection with this work amounting to 92 lakhs, towards which the Government of India have contributed 25 lakhs and the Provincial Government has been permitted to advance a similar amount.

"Measures have recently been taken to standardise the procedure at the various Customs Ports in regard to the administration of the Merchandise Marks Act. The Government have approved of the issue of a Manual compiled under their authority which brings together the executive instructions issued from time to time for the guidance of Customs Officers in administering the provisions of the Act. This Manual will be of assistance to merchants, in presenting to them for ready reference in one authoritative compilation, the rules and regulations observed at our Customs Ports, and it will also have the effect

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of securing a very desirable degree of uniformity in the administration of the Act. A modification is to be introduced in the practice respecting the marking of specific indications of the country of origin on imported goods. The law requires that, when the name or trade-mark of an English or Indian manufacturer is marked on goods not made in England or India, there must be a counter-indication specifying by name the country in which the goods were made. Where, however, goods made elsewhere than in England or in India do not bear such a name or trade mark, but are only marked with an expression or description suggesting an English origin, the law does not authorise the Customs-authorities to insist on the marking by name of the country of origin, and any expression negativing the suggestion of English origin is, for legal purposes, sufficient. For instance, the use of such expressions as 'Made abroad,' 'Foreign made,' or 'Not made in England or in British India,' would be a sufficient compliance with the provisions of the law in the case of an article, say, made in Germany, which bears an English expression. The practice at our ports has, however, not been in entire accord with the law. The Local Governments and Chambers of Commerce were consulted in regard to this modification, and I refer to it in some detail because the replies we received to our references suggested a certain misapprehension of the scope and purport of our proposals, and I hope that I have made it clear that the object of this modification is only to bring our practice into conformity with our law, and that no change in the latter is at present contemplated.

"A brief reference may be made to two special matters which have formed the subject of discussion during the year, namely, the amendment of the law relating to patents, and the Assam Labour Law.

"The growth of manufactures and industries in India, and the consequent increase of the use of new processes and machinery, has directed more attention of recent years to inventions and designs in this country. The Act which regulates their protection was passed in 1888 and was founded in the main on the earlier Acts of 1856 and 1859 which in turn were based on the English Act of 1852. Since that date many further changes have taken place in the way that invention is regarded both from the standpoint of the inventor and the public, and it is proposed to take early steps to obtain sanction to legislation which will bring the present system more into line with the latest practice in the United Kingdom. Suggestions put forward by the Patents Secretary and considered by the Department have been carefully worked out by him and a draft Bill is now under preparation. This will, it is hoped, shortly be ready for examination, and when the necessary sanction has been obtained it will be submitted for the criticism of the manufacturing public.

"The orders recently passed on the subject of labour for the Assam Tea Gardens define the attitude of Government towards this question. The Act of 1901 is to remain in force in the Assam Valley for a period of two years, after which the question of its continuance on present lines will be taken into consideration. In the meantime the operation of the Act has been modified in two important particulars: the right of private arrest hitherto vested in employers has been withdrawn, and the taking of contracts in the labour-districts has been abolished. The object in view is gradually to introduce greater freedom in the management of labour on the gardens. The special Committee which enquired into the subject considered that in order to induce labour to move to Assam, relaxation of the existing conditions in these respects was necessary, and they also pointed out that the attractions to labour should be increased in order to enable the Tea industry to compete in the labour-market in the down country districts. The various suggestions made to this end it is for the industry to consider. The Government of India, while agreeing with the conclusion of the Committee that the minimum wage prescribed by the present Act is no longer an inducement to emigration, have, in view of the generally favourable opinion expressed by the Committee as to the material condition of the labourers in the Gardens, decided to leave the question of raising the wage to the industry concerned. In recruitment various changes have been introduced with a view to encouraging the emigration of labourers free of contract under the Act,

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"The question of withdrawing the Act from the Surma Valley presented difficulties which have led to the postponement of action in this respect. But it is intended presently to amend the law so as to enable a beginning to be made in selected tracts with entirely uncontrolled emigration to the Surma Valley districts.

"The reductions made during the year in the rates of inland postage have been accompanied by a remarkable increase of traffic in respect both of letters and of parcels, and we anticipate that the net cost, which was originally estimated at 15½ lakhs for this half-year, will probably not be more than half that amount.

"There has been a good deal of adverse criticism because the new contract with the Peninsular and Oriental Steam Navigation Company for carrying the Indian mails, which came into effect on 1st February last, provides for an acceleration of only eight hours over the transit timings hitherto in force between Bombay and Brindisi. I need hardly say that the Government of India entirely sympathise with the desire of the commercial community for a faster service, and have spared no effort in their attempts to secure this. We secured the insertion in the form of tender issued by the Post Master General, London, in August 1906, of a provision asking tenderers to state what subsidy they would require if a service 24 hours faster than that given under the former contract were introduced three years after the commencement of the new contract. The Peninsular and Oriental Steam Navigation Company was however the only responsible Company that tendered for the service, and they declined to comply with this request. They contended that the acceleration proposed would necessitate a very large expenditure on ship-building and that the incidental charges would be excessive. It might perhaps have been possible to extend the old contract for a further period of two or four years and to make a further attempt to obtain a 24 hours acceleration in 1910 or 1912. But it was very doubtful whether any responsible competitor would have come forward, and in the absence of real competition we should have been no better off four years hence than we are now. It was therefore decided by His Majesty's Government to close with the offer of the Peninsular and Oriental Steam Navigation Company, in the hope that this would be found the most effective measure towards obtaining a substantial improvement in the mail service on the next occasion on which tenders are invited.

"In the Telegraph Department the year has been characterised by the greatest activity. It was recognised soon after the introduction of the low tariff rates that the Department was not fully organised or equipped to cope with the enormous increase of traffic involved, and that very far-reaching reforms would be necessary before it could render to the public the service which the latter has the right to require. A Committee was appointed which submitted its report in April, and later in the year the services of a selected officer of the English Post Office were obtained in order that examination of all the details of the existing methods of dealing with traffic might be carried out. Time does not permit of my placing before you even a resumé of the evidence and reports which have been laid before us; they have been very voluminous and have been examined with care. We have come to the conclusion that the greatest fault to be remedied is the excessive delay which by ancient custom has come to be regarded as a normal feature of the service. As an illustration I would mention that the figures of delay in a large Indian office and a Home office, similar in respect of volume of work, have been compared, and it is a fact that while in the former only 8·2 per cent. of the messages were put on the wires within ten minutes of receipt in the office, and 57·6 per cent. were delayed over 40 minutes, in the latter 91·7 per cent. were being despatched within ten minutes. We have received convincing reports from Mr. Newlands, whose work has been invaluable, as to the causes of delay, which he attributes mainly to the excessive amount of clerical labour performed in respect of messages, unnecessary signalling operations, the compilation of useless returns, and to the fact that the hours of duty have not been arranged so that there may be a sufficient number of men during the busy hours to dispose of the traffic as it comes. These are

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defects which can be remedied, and it is hoped that the orders which have already issued in the direction of simplification will before long produce a very marked effect. There is no desire on the part of Government to exact too much work from the subordinate establishment, but it is a matter of common knowledge that the Department is already considerably overmanned. The new system of duties, when finally arranged, will not only greatly accelerate business, but will also materially reduce the amount of work done at night, and this will be understood before long. At the same time Government are aware that the present scales of pay are insufficient and that there have been in the past several legitimate causes of complaint. Some of these have already been remedied and action is being taken in respect of the others. A recommendation will shortly be made to the Secretary of State in respect of the pay of the staff. We recognise that special efforts will be necessary on the part of all concerned to carry out the reforms and to build up a telegraph service that will be capable of performing its proper functions. But we believe that the whole staff of the Department, superior as well as subordinate, will spare no pains in the endeavour to attain efficiency, and we look with confidence to the public for their assistance and perhaps for a time for some forbearance while the measures that have been devised in their interests are brought into full operation.

"The abolition of the office of Consulting Engineer on the 1st January 1908 marks a great change in the relations between Government and the Railway Companies and in the system of railway administration in India. Hitherto this officer has been the medium through which the control of Government over the Railway Companies, usually of a minute character, has been exercised.

"The proposal to give greater freedom to Companies originated with Mr. Thomas Robertson and is now being carried into effect. The duties of the Consulting Engineers as regards inspection have been transferred to Government Inspectors working directly under the Railway Board. Most of the powers of sanction which they formerly possessed, and extended powers similar to those vested in Managers of State Railways, have been delegated to the Companies' Boards. The appointment of Railway Secretary to the Local Government has been abolished in Bombay and Burma, but in Madras the Government Inspector will continue to hold that office, though without exercising the functions of a Consulting Engineer.

"It would be premature to pronounce any opinion on the new system after only three months' experience. We have every hope that it will prove a success and will promote efficiency, and we believe that the Companies will exercise their enlarged powers with discretion. Government interests will be safeguarded by means of the Inspectors working under the Railway Board and Examiners of Accounts, and we have reserved the power to make special arrangements should the circumstances of any line appear to require this course."

"One effect of the change will be that some of the Local Governments will have less direct responsibility for railway work than they have at present. But we have no desire to diminish in any way the legitimate influence of the Local Governments in the questions of railway policy in which they are interested. Railway Administrations have been instructed to keep in close direct communication with them in respect of all matters which are not of a technical character, and the Railway Board will welcome their advice and assistance.

"The disappearance of the last of the old Guaranteed Companies demands a word of notice. The Madras Railway, which was established in 1856, has always been an expense to the State, and we had, therefore, no hesitation in recommending to the Secretary of State that the line should be acquired at the earliest date which the contract allowed. The purchase was concluded last year and took effect from the 1st January 1908. As the existing contract with the Southern Mahratta Railway Company terminated in 1907, and the contract with the South Indian Railway is to expire in 1910, the opportunity was taken to re-arrange the railway systems of Southern India, with the result that the Madras Railway, as a separate entity, has disappeared and has been absorbed in the South Indian and Southern Mahratta

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systems. A reduction in the number of separate administrations was clearly required for purposes of economy and efficiency, for the Madras Railway had no room for expansion and none of the three systems could rank in mileage or in receipts with the great lines in other parts of India. The Southern Mahratta Railway Company has taken over the whole of the Madras Railway excepting the Jalarpet-Mangalore section (and branches) of the South-West line; and also the South Indian metre-gauge lines north of Katpadi. The South Indian Railway Company has taken over the Jalarpet-Mangalore line and has also been given running powers over the Madras-Bangalore section. The object in view in these arrangements has been to create two systems with distinct spheres of influence, within which they will be free to develop trade and to build extensions with as little risk as possible of creating excessive competition.

"The Railway Board's memorandum, which is attached to the Financial Statement, explains the programme which has been adopted for the coming year. It will be observed that the total has been maintained at 15 crores, a much higher figure than was at first anticipated. In pursuance of the deliberate policy which has been adopted, by far the greater part of the expenditure will be on open lines and rolling stock; the Board have provided for lines under construction 331.12 lakhs and for new lines 20 lakhs only. No provision was made in these estimates for the construction of the Lower Ganges Bridge, but since they were framed the sanction of the Secretary of State to the project has been received, and the Board will now issue orders for the commencement of the working survey and the preparation of construction plans and estimates. Sanction has also been given to the Irrawaddy Bridge at Sagaing and funds for the preliminary work will be provided from the grants for open lines.

"The Board have alluded to the difficulties experienced in working traffic, and it is a matter of common knowledge that the complaints have been as bitter and the discussions at meetings of public bodies and in the Press have been as acrimonious as before. In considering the position it must not be forgotten that there have this year been two special causes which have added very largely to the normal difficulties. The scarcity in the United Provinces has necessitated the transport of large quantities of grain to the affected areas there, and the strike on the East Indian Railway in November caused a retardation in the traffic which was bound to have effects lasting throughout the season. But the complaints have not been confined to Calcutta. Steamers have been detained at Karachi unable to discharge, and there have been most urgent requests for the transport of produce to and from that port and from the wheat-growing areas of the Punjab to the distressed districts of the United Provinces. Government do not conceal from themselves the fact that systematic measures are required to restore the balance. It is, however, impossible for them at the present time to do more than devote the funds at their disposal towards the amelioration of existing conditions. As Hon'ble Members are aware, a Committee was appointed last year by the Secretary of State to enquire into Indian railway affairs and the terms of reference were wide enough to cover the whole range of traffic facilities and the methods of financing schemes for their improvement. The Government of India have not seen the evidence that has been placed before that Committee, but they understand that comprehensive and detailed proposals have been put forward by witnesses and public bodies representing commercial as well as railway interests, and it is obvious that their report, which, it is believed, has been submitted to the Secretary of State, must be awaited. It is hoped that their proposals will provide a satisfactory working scheme; but if these require to be elaborated or supplemented, the Government of India will be prepared to institute the local enquiries that were asked for last year, and to invoke the assistance of representatives of the commercial community in making them. In the meantime I will refrain from repeating figures already given by the Board, and will only claim that Government have not failed to devote the maximum amount at their disposal to the improvement of traffic conditions on existing traffic routes.

"The Hon'ble Mr. Finlay suggested last year that a solution of some of the difficulties connected with the wagon supply might be found in a system of

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private ownership. He subsequently discussed the matter very fully with the Agents of the East Indian and Bengal-Nagpur Railway Companies; but I am sorry to say that the result of these discussions has not been very favourable to the proposal. Both the Companies object in principle to the private ownership of wagons, and there is no doubt that the difficulties in the way of any general introduction of such a system are of a very serious character. English railway opinion is now very strongly against it, and I understand that the English Railway Companies would be glad to get rid of the private wagons at once. To a limited extent, however, private ownership might be permitted under conditions which would not be open to the objections which have been raised. An arrangement has been made between the East Indian and another Railway, under which the latter supplies 150 wagons for the carriage of the coal required by it. This is not regarded as objectionable because the wagons can be run to and fro between fixed points in rakes of 50 wagons or so at dates which can be arranged between the Coal Company and the two Railway Companies. The Bengal-Nagpur and East Indian Railway Companies are willing to extend the same facilities to Railways generally, and the Railway Board have been asked to move the two Companies concerned to deal in the same way with the larger Coal Companies which can work under similar conditions.

"The Hon'ble Mr. Apcar has referred again to the desirability of encouraging wagon-building firms in this country, and I can assure him that Government as well as the Railway Board are most anxious to give all the assistance in their power, subject of course to the condition that *bonâ fide* manufacturing work is carried out and that rolling stock is not imported in a practically finished state for the purpose of fulfilling contracts. The Hon'ble Mr. Finlay mentioned last year that State Railways had been instructed to invite tenders locally for 25 per cent. of their requirements. There has been no reversal of this policy, and the Railway Board have done all in their power to induce railway companies, which occupy a position of independence as regards sources of supply, to follow their example. The specific instances brought to notice by the Hon'ble Member will now be enquired into.

"There are several other railway matters which I should have liked to mention in a little more detail had time permitted, such as the recent strikes and the steps that have been taken to form Boards of Conciliation, the projected railway connection with Ceylon, and the proposals which have been made to Government by several Companies for the purchase or lease of certain of the State lines. I may say, however, with regard to the last of these that negotiations have not yet reached a stage at which any public announcement could be made, and that it is the desire of Government that mercantile opinion in Calcutta should be consulted before any decision regarding the transfer of the Eastern Bengal State Railway to a Company is arrived at.

"In conclusion, my Lord, I should like to say a few words regarding industrial progress in India. Though the exports of coal and manganese-ore show a tendency to decline, there is no sign of any check in the development of the mineral resources of the country. The figures for the production of coal, in the calendar year 1907 as returned by mines subject to the Mines Act, have advanced by nearly one and a half million tons, and the returns of mining concessions granted point to a great activity throughout the country. The total number of concessions relating to Government lands, excluding those granted in the permanently settled districts and in Native States, was 252 in 1906, while for the three quarters of 1907 the large figure of 409 has been reached, the increase being most marked in the Central Provinces, which accounts for nearly one-half of the concessions recorded. In Bombay there has been an extraordinary advance in prospecting operations.

"Government have received various suggestions for modifications of the rules under which mining concessions are granted, and it was decided to entrust the revision of these rules to a small informal Committee. This Committee has just sat and its recommendations will be circulated for opinion among the Local

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Governments and Commercial Associations interested, and, on consideration of the replies, the Government will submit their proposals to the Secretary of State with whom the final decision lies.

" We look forward confidently to the time when the industries of the country will absorb a much larger proportion of its mineral products than at present, and it is gratifying to know that the project for the establishment of large iron and steel works near Sini on the Bengal-Nagpur Railway, which was referred to at length by the Hon'ble Sir John Hewett in the Budget debate in 1906, has passed through the preliminary stages and that work is rapidly progressing. Government have committed themselves to the grant of substantial assistance to this scheme and it will be a pleasure to them if their aid is further invoked towards the inauguration of other industrial enterprises. The Lieutenant-Governor of the United Provinces, who evinced the keenest interest in this subject while in charge of the Commerce and Industry Department, has made comprehensive proposals to give effect to his policy in those Provinces. In several of the other Provinces also active measures are being taken towards carrying out industrial surveys and advancing technical education, and we have every reason to expect that before long the general movement in this direction which we are most anxious to promote will have made material progress. I would however invite the attention of Hon'ble Members who have referred to this subject in the debate to the speech to which I have just alluded. Government have already done a great deal and are anxious to do more, but it is only with the co-operation of the people themselves and active assistance from the capitalists of the country that great results can be attained.

The Hon'ble Mr. Miller said :—“My Lord, in October last year at Simla, I made a statement in this Council regarding the imminence of the famine to which so many references have been made today.

“ At that time it was difficult to foresee how large a part of the country would be seriously affected. It seemed possible that severe distress amounting to famine would spread over the greater part of northern and north-western India and far to the south. Fortunately this has not been the case. There has been and is distress which is acute enough to give cause for anxiety over a very large part of the country ; but except in the United Provinces and some of the neighbouring tracts, the conditions are those of scarcity, not of famine. The rainfall in those parts was, as I explained in October, only half the normal, in individual places much less ; the autumn crops failed altogether or were miserably poor, and no human power could ward off a famine of very considerable intensity. Relief measures were, however, taken with a promptitude which has earned the gratitude of the people, and at the same time has inspired them with a confidence at once in the Government and in themselves. Revenue was freely suspended ; advances for the construction of wells and other agricultural purposes were made on a large scale ; gratuitous relief was given where necessary, and all preparations were made to cope with any rush there might be for work provided by the State. No such rush occurred, however, at the outset, and the numbers of the famine-stricken mounted at first more gradually than in some previous famines ; at the end of December the total number of persons on relief in the United Provinces was only 101,915 ; but there was then a rapid increase and at the end of January the number was 492,748 ; by the middle of February it had risen to 919,873 ; at the beginning of March to 1,332,449 ; while the latest figures are 1,382,780.

“ In ordinary course there should now be some diminution, but when the harvest is over there must be a return to the works, and no reduction in the scale of relief can be expected till the rains are well established. In the Punjab the Delhi Division suffered equally with the United Provinces, but relief works were not found necessary till the end of January, and even now they fail to attract labourers, only 1,235 being employed according to the latest returns. In the Panch Mahals District in Gujarat the conditions are much the same as in the Punjab. Test works are open, but only 2,965 persons are employed on them. The Central Provinces received some welcome rain in November and timely

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rain later on which considerably eased the situation there, and it has been found possible up to the present to avoid any large recourse to relief works by general suspensions, by the grant of loans, by providing a comparatively small amount of gratuitous relief, and by expanding the ordinary programme of public works: In Orissa, famine conditions have been caused by drought following on floods, but the able-bodied labourers of those parts find work in Calcutta or elsewhere, and the scarcity wages given on test works do not attract them. It has been found necessary to give gratuitous relief somewhat freely to the families of those who have migrated in search of work. In Ganjam it has recently been found necessary for similar reasons to open test works. In the States that lie south of the United Provinces there has been the same disastrous failure of crops as within our own borders, and the rulers of those States appear to have met the situation in a liberal and determined spirit. No less than 135,500 people are now in receipt of relief in those States—a large number for those thinly populated tracts.

"In the whole of India the numbers on relief, according to the latest returns, reached a total of 1,558,439. These are large figures, but to anyone who will compare the rainfall statistics of the last monsoon with those of 1896 and 1900, it will be a matter for surprise that they have not been far exceeded, and we may find some cause for satisfaction in the absence of the worst forms of distress that were formerly regarded as inevitable in times of drought. How far these results are due to the promptitude with which relief was given, how far to the people being better off, and how far to altered conditions of labour must be a matter for speculation. Probably all these causes were at work.

"The Hon'ble Mr. Gokhale takes strong exception to the assumption that there has been any development of the resisting power of the people, and he quotes the opinion of the Famine Commission of 1898 that up to that time there was a large and possibly increasing section of the community,—the great class of day-labourers and the least skilled of the artisans,—who were if anything less well to do than ever. The question is an important one, and at the same time very interesting. I should have been glad if the Hon'ble Member had been able to throw the light of any fresh facts on it. For my own part, after carefully watching the progress of relief and studying all the evidence available, I have formed quite a different conclusion from his. No doubt when we compare the present with past famines we must take account of the comparatively limited area in which distress is now acute, and of the liberality with which relief was given, to which I am glad to see that the Hon'ble Member makes appreciative reference. But allowing for this, and also for the fact which I think is fairly certain, though the Hon'ble Member challenges it, that the agricultural condition of the greater part of the severely affected tracts was better than in 1896, I find it impossible to resist the weight of evidence that comes from all quarters of the improved position of the labourer. How is it that in this famine following on an extraordinarily poor and ill-distributed rainfall, with prices at a height above even the range of 1897, there are at this critical period of the season so few of the worst features associated with famine? How little do we hear of the gangs of wanderers spreading over the country and of the increase of crime; how few comparatively are the paupers in the poor-houses? In the United Provinces the poor-house population was only 5,165 on March 14th as compared with 45,000 at the same time in 1897. The main cause I have no doubt is to be found in the increasing demand from all quarters for labour, and in the consequent rise of wages. This is to my mind the most important economic feature of the present day in this country, and I am sorry to find that so acute an observer as the Hon'ble Member should take a different view.

"It is not merely in the towns that higher wages are to be had. The members of this Council who are landowners will bear me out as to the much better terms which the agricultural labourer now demands and receives. The conditions of India have changed or are changing, and even in time of famine the labourer who chooses to go in search of work can find it on better terms than on relief works.

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That is why in Bengal, the Central Provinces and Bombay the number of labourers on *test works* is so small. In Bengal difficulty has been experienced in obtaining the labour required for ordinary road works at the usual rates, owing to the great industrial development in and near Calcutta and in the mining districts. In the Central Provinces private employment has not slackened off to the same extent as in previous scarcities, while employment has been found on ordinary public works for about 40,000 more labourers than usual. In Bombay it is difficult to secure labourers for the irrigation works in the Deccan where over 10,000 men are at work, and a large supply of outside labour is absorbed by Bombay itself. The classes most affected in that Presidency are the hill and wild tribes of the Panch Mahals and West Khandesh. In the Punjab the supply of labour is barely sufficient for the large canal projects and railway and other works that are under construction. Even in the tracts where famine is most severe—in the United Provinces and Central India—it is found that the ordinary demand for labour is greater than it was in previous famines, and the problem of dealing with famine is thus to some extent simplified.

"The great increase in the wages of labour is a matter of almost universal experience, and the only evidence I have come across to the opposite effect comes from the outlying tract of Ganjam in Madras.

"The Hon'ble Mr. Chitnavis has referred to the distress caused by high prices. This is a feature of the present day, the effect of which we fully recognise. It is not so much that a high scale of prices is in itself objectionable; it is the change from one scale to another that creates hardship. It is undoubtedly the case that the very high range of prices has caused much privation and distress amongst the classes above the labourers, and these are the classes for whom it is difficult to provide State relief. On this account the scope of gratuitous relief has been widened, but the Council will recognise the risks inevitable in extending the help of the State too liberally where no definite test of its necessity can be applied, and in such cases there is a wide field for the judicious exercise of private benevolence, which has already shown its readiness to assist.

"The good effect of the liberal suspensions of revenue has been recognised on all hands, and I am surprised to find that the Hon'ble Mr. Chitnavis draws from this policy the argument that the land is assessed to its utmost limit. Such criticisms will not affect the development of the more liberal and elastic policy in land revenue administration on which the Government of India have laid so much stress in recent years. Mr. Chitnavis has also referred to the burden of the assessment in his own province. He says that there is no margin left for the accumulation of capital for industry. My Lord, if the employment of indigenous capital in industrial enterprise is to be taken as the measure of the lightness of assessments, then I have no hesitation in saying that, considering their natural resources and population, the Central Provinces and Berar have a good claim to be ranked amongst the most lightly assessed tracts in the country.

"The distress must inevitably continue, and in some parts it will deepen until the monsoon is well established. The condition of the spring crops up to a recent date was promising in a considerable part of Upper India, but the area on which those crops have been sown is much below normal. Taking both area and condition into account the most sanguine estimate puts the outturn at three-quarters of the normal, other estimates go as low as a half. Much will depend in the future course of prices, and on the outturn of the mahua and mango crops. If we are fortunate in these two respects, no great increase in the numbers on relief need be anticipated in the United Provinces. In Bengal a few additional districts will probably require assistance before the rains come, and in the Central Provinces an expansion of relief measures may be necessary in the upland districts and in Chattisgarh. It does not at present appear probable that any considerable extension of relief will be necessary in either the Punjab or Bombay, and any distress in

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Madras will, it is hoped, be confined within a limited area in the extreme north of the Presidency.

"There has been comparatively little complaint on this occasion of severe scarcity of fodder. The resources of the forests have been utilised as far as possible and the railways have given special facilities for transport at cheap rates. It will be interesting to know how far advantage has been taken of these, and whether there has been any marked development of private enterprise in supplying the demand for fodder.

"There have been so many failures of the rains in the last ten or twelve years that it may interest the Council to know that a careful analysis of rainfall statistics was recently made to ascertain whether they showed any signs of permanent change in the seasonal conditions of any part of India. For such purpose a very long and accurate series of statistics is necessary. Thirty years or fifty years is a short time in the history of a country, and it would require a longer series of accurate observations than we possess to justify any confident deductions. But generally it may be said that in Bengal, Assam, Burma and the greater part of Southern India the returns give no indication of any change. In North-West and Western India down as far as Guzerat the rainfall showed a tendency to increase up to about 1894, reaching a maximum in different places between 1892 and 1894. Thereafter it diminished, the minimum being reached in 1899, after which there was again an improvement. The figures of the present year will do much to blot out the evidence of that improvement, but it is worth noticing that up to 14 years ago the statistics pointed rather to an increasing than to a diminishing rainfall.

"The Hon'ble Munshi Madho Lal has given prominence in his remarks to some figures taken from a newspaper of the number of famines. I had noticed them myself and had the curiosity to examine them, and it is perhaps as well that the methods in which such statements are compiled should be understood. The original statement was in these terms:—

"From 1800 to 1850 there were seven famines; during the next twenty-five years there were six, while the last quarter of a century claimed no less than nineteen."

"Every one knows that from 1878 to 1896 the country enjoyed a remarkable immunity from serious and widespread famine, and the Hon'ble Member may well hesitate to accept the figures. He will be relieved to know that the comparison is grossly misleading. The statistics for the last quarter of the century appear to be taken mainly from the Famine Commission Report of 1898. On one page of this there is a tabular statement of 14 famines that occurred from 1884 to 1892 inclusive. These are arranged by Provinces on the principle of one Province one famine, and so we have fourteen famines in nine years. The years 1890, 1891 and 1892 account for no less than seven of the fourteen famines. On this principle we have five or six or possibly more famines in progress in India at the present time. It will at once be asked whether the same method of calculation was adopted for the figures given for the earlier periods. It was not. The Famine Commission of 1880 proceeded on a different principle, and the figures now given agree with its report. For example, the famine of 1812-13 which extended from Bombay to Rajputana and Upper India counts as one famine only, and similarly the famine which affected Madras in 1823, Bombay in 1824 and Upper India in 1825 is reckoned only as one. So in the second period the great famine of 1868-1869 which affected Rajputana, Central India, the Upper Provinces, the Central Provinces, Guzarat and the Deccan counts as one famine only. That famine affected 300,000 square miles of country. The largest of the 14 tabulated by the Commission of 1898 affected less than a tenth of that area, and the smallest less than a thousand square miles. I hope that this explanation will remove any doubt from the Hon'ble Member's mind as to the value of the statistics he was led to quote.

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" It is possible that this idea that famines have for over a quarter of a century been continually increasing in number that has led to the numerous requests for enquiries of which we now have the following before us :—

- an enquiry into prices ;
- an enquiry into the question of food supply ;
- a complete investigation into the whole subject of famine ;
- an enquiry into the condition of typical villages.

" It has already been stated that the Government have had under consideration the question of making an enquiry with reference to prices. As regards the other proposals I would merely say that the Government does not shrink from an enquiry into its famine policy, but it must be satisfied that definite practical advantage will result before it agrees that enquiry is advisable.

" When droughts unfortunately come we cannot, in a country where agriculture is so largely dependent on the rains, and where the people are so largely dependent on agriculture, prevent much hardship. But in many ways much has been done to minimise the effects of drought. The most important work of Government in this direction is indirect. It establishes tranquillity and leaves every man to reap the result of his own labours. But there is also a large field for direct action, and I wish to-day to allude briefly to the official work that is being carried on in the Agricultural, the Forest, and the Public Works Departments.

" Ten years ago the expenditure on agriculture for the whole of India was under five lakhs of rupees. In recent years, as the Council are aware, a more active policy has been initiated, and important developments are now in progress. The accounts for 1906-07 show an expenditure of  $17\frac{1}{2}$  lakhs, and the Budget for the coming year amounts to nearly  $27\frac{1}{2}$ , while the Budget of the Civil Veterinary Department has in the same time risen from R5,91,930 to R15,81,000. By far the greater part of this expenditure is under the control of the Provincial Governments. It is not much for the whole country, but the Provincial organisations have now obtained a start which will lead to a rapid development as soon as the necessary staff can be trained. The field before the Agricultural Department is a very wide one ; it is not merely to the improvement of existing methods that we have to look ; a wider and often more directly useful opening is often found in the combating of disease and of pests. To take one example, the research work of Dr. Butler has shown how to combat the palm disease in the Godaveri Delta which had spread over hundreds of square miles and caused a loss of lakhs of rupees. In the Veterinary Department inoculation against rinderpest has attained a success which is not only attested by official reports, but is confirmed by the growing popularity of a remedy that was at first regarded with suspicion. Similar problems await investigation in all directions and our efforts ought to be devoted to training the staff to deal with them. This work of training is the most important that now lies before the Agricultural Department, and the colleges which are springing up in the different Provinces will, if I am not much mistaken, be thronged by an eager crowd of students—such as one can already see in our Veterinary Colleges. The next matter of importance is to get into touch with the cultivators, who may have much to learn but have also much to teach, and much prominence was wisely given to this question at the recent Agricultural Conference at Pusa. I had an opportunity also when in Bombay, where the Agricultural Department has from an early date been developed on progressive and practical lines, of attending an interesting meeting where the officers of the Department, representatives of the cultivators in the districts, and representatives of trade and commerce were all brought together. All these attempts to establish relations with the cultivator and with those who can influence the cultivator are to be warmly welcomed; all projects for the improvement of agriculture are impracticable that do not take account of his methods and traditions and capacity. At a time when the popular demand is for technical and industrial education with a view to the development of manufacture, it is well

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to remember that much as industrial development is to be desired, and great as are the benefits which variety of occupation has already conferred and will in increasing measure confer on the country, still the great industry and interest of India will always be the agricultural one. Even in America, a railway magnate recently warned the people of the dangers of forgetting the importance of agriculture. 'There must be,' he said, 'a re-adjustment of national ideas such as to place agriculture and its claims to the best intelligence and the highest skill that the country affords in the very forefront.' In India it is still more necessary to enlist the best skill and intelligence, and I trust that we shall not fail in doing so and in making the most of it.

"For years, as the Council is aware, the question of providing capital for the agriculturist has been under consideration. Within certain limits much has been done by Takavi loans, but though these provide valuable assistance at a cheap rate, the system is a purely official one; it has no educative effect, and its expansion on a great scale would involve much official intervention. How to provide capital, while at the same time encouraging thrift, is the problem for the solution of which the scheme of Co-operative Credit Societies was introduced some years ago. The Government refrained from any over-sanguine estimates of the result; it recognised that success was doubtful and that progress must be slow. Progress has, however, been more rapid than was anticipated. The number of registered societies is now 846, the number of members 90,000, and the capital 21 lakhs. There is every reason to be satisfied with the results, and to hope that the system, which is now arousing the active interest of the non-official public, will take root, and if it does take root it will spread rapidly. The Registrars in some Provinces indeed have been obliged to moderate the enthusiasm they met with, and to deprecate the formation of too many Societies. Mr. Rajagopala Charriar, the Madras Registrar, is of opinion that Co-operative Societies have undoubtedly come to stay; the Bombay Government think that the movement shows every indication of growing into a well-developed system. In Bengal the lines on which progress is being made appear to be eminently sound and eminently successful in attracting non-official co-operation. In the United Provinces the stage of the foundation of District Banks to which the local societies are affiliated has been reached; everywhere the reports are most hopeful regarding the future expansion of the movement. The present year will undoubtedly be one of stress and trial for the Societies, which have not yet had time to build up Reserve Funds, and it is well not to take too sanguine a view of their future. But all the indications go to show that under the guidance of those who are themselves convinced of its possibilities, co-operation gives every promise of attaining a much more vigorous growth on Indian soil than anyone at the start ventured to anticipate.

"Under the head of Forests for the coming year the Budget provides for an expenditure of 150 lakhs and for receipts of 276. The total area of Reserved and Protected Forests now amounts to 102,514 square miles, and there is a further area of 131,137 square miles known as 'Unclassed Forests'. This is a branch of administration the importance of which is certain to go on increasing. I do not refer to the importance of its contributions to the Treasury; they are not to be neglected, but they represent only a small part of the benefits to the country which Forestry confers. The necessity for the preservation of forests for climatic reasons is every year becoming more widely recognised, as the emphatic remarks which have been made by the Hon'ble Tikka Sahib of Nabha show. This is the one Department to which we may look for some direct effect in preventing drought. I do not mean that forests will necessarily increase the actual rainfall in the country as a whole. It is not merely the total rainfall that we have to consider, but its distribution and the retention of moisture in the soil, the prevention of floods and of the erosion of mountain slopes, the maintenance, as far as possible, of a continuous and equable flow of water in our rivers and streams. The benefits of Forestry in these respects cannot be easily measured, and next to them may be placed the necessity of maintaining a continuous supply of forest products for the use of the agricultural and other industries

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of the country. For this purpose it is unfortunately necessary to place restrictions on the access allowed to the forests; the very existence of the forests is incompatible with unlimited rights of user: you cannot both eat your cake and have it. Hence it is that we hear of the oppressiveness of forest regulations; they must necessarily be to some extent oppressive when forests were formerly treated as if they formed an inexhaustible source of supply. But experience in the best administered forests goes to show that by the exercise of tact and sympathy, by careful attention to the real wants of those who live in their immediate neighbourhood, and by strict control of the subordinate establishments and improvement in the class of men employed, it is possible not merely to avoid friction and causes of grievance, but even to interest the local population in the management and maintenance of the forests.

"We have now established a Forest Research Institute at Dehra under a body of capable workers, and there is no service more enthusiastic in the prosecution of their work than the officers of the Forest Department. They will now be able to work out in the country itself the higher problems of Indian Forestry, and to give to the future staff of the Department that higher training for which, in the future, there is certain to be a great demand.

"Before referring to the Irrigation and Roads and Buildings Branches of the Public Works Department I should like to allude to the value in times of famine of the development of our Railway system. Without the railways our famine administration could not hope to be successful. I am informed that in the month of February the imports of food-grains into one district in the United Provinces amounted to half a pound per day per head of the whole population. There are 200,000 people on relief in that district, and had the railway not existed, or had trade been fettered, a large proportion of the population must have been on the brink of starvation. This aspect of the case is often referred to, but there is another of much, though not of equal, importance, namely, the facilities which the railways give to the transport of the labourer. Owing to them the aimless wandering of the famines of earlier times is now being replaced by an ordered emigration of the able-bodied to those parts of the country where labour is in demand. The extent to which this proceeds even in ordinary times is surprising, and the readiness of the Indian labourer to leave his home in search of wages is not often realised. Not only is there a constant coming and going to the great trade and mining or manufacturing centres where labour is always in demand, but the surplus population of congested districts finds a profitable field for its energies in temporary migrations at the time of harvest to such places as the rice tracts of Bengal and Burma or the cotton country of Berar.

"Turning now to Irrigation, not many years ago it was thought that we were approaching the limit of productive irrigation schemes in this country, but the Council are aware how the horizon was widened by the report of the Irrigation Commission and by a less strict policy as to the direct remunerativeness of irrigation works constructed from public funds. We still, however, draw a clear line of distinction between productive works which are commercially paying, and protective works where we have to look largely to indirect benefits. The former class are constructed almost entirely from loan funds and there is never any difficulty in obtaining such funds as the strength of our establishment and the conditions of the labour market enable us to spend. From 1900 to 1906 the expenditure on productive works was as a rule about 80 lakhs a year. In 1906-1907 it rose to 120, in 1907-1908 to 130, while for the coming year the budget is for 150 lakhs, or a million sterling. Statistics of Irrigation works are given already in so much detail in the Financial Statement that I do no more than invite the attention to them of those members of Council who are interested in the great development of the wealth of the country that is due to the prosecution of productive canal schemes.

"For protective works the purse-strings are naturally more jealously guarded, and we must expect that policy to continue until the works have demonstrated their utility in years of drought. The total grant that may be made available for such works is 75 lakhs of rupees, and this amount may be reduced by any sums

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spent on famine, a condition that is fortunately not interpreted too rigorously. Hitherto we have been unable to work up to the 75 lakhs limit. Investigations of projects take time, and when works are not directly remunerative, careful discrimination is necessary in deciding to which preference should be given on account of the indirect benefits to be expected. The following figures will however show the rapid development of protective schemes.

"In 1900 the total expenditure on protective works was under five lakhs of rupees. After that date it rose gradually to 53½ lakhs in 1906-07; in the present year it is expected to reach 61 lakhs, and for next year the budget is placed at 60 lakhs, which is all that could be allotted in the unfortunate financial conditions that prevail. From the administrative point of view there are great objections to curtailing expenditure on these works when famine threatens. The works provide a useful outlet for labour, and labour is at such times comparatively cheap, while delay in construction means loss in many ways. When the larger projects are sanctioned, the means by which a definite allotment can be secured from year to year undisturbed by the accident of famine will require serious consideration. Amongst the largest protective works suggested by the Irrigation Commission were two great canals in the Madras Presidency—the Tungabhadra and the Kistna; but investigation has as yet failed to show that these can be constructed at a permissible cost. In other cases, however, the prospects of protective works appear, especially in Bombay and the Central Provinces, to be much more promising than the Commission ventured to anticipate, and the field for useful work in this direction gives every promise of being a wide one. I have no doubt myself that these works will establish their value, and that we may look in the future for further developments when the Irrigation Commission's twenty-year programme comes to an end.

"The operations of the Buildings and Roads Branch of the Public Works Department are not often mentioned in a Budget discussion. Perhaps that is partly because there is nothing to be said for it as a direct contributor to the receipt side of the estimates; but the main reason is doubtless that its operations affect the Imperial estimates to a comparatively small extent. It is a spending Department, but its expenditure is mainly Provincial or Local. At the same time there are few Departments of which the operations more directly affect every branch of the administration than Public Works; there are for example 165,000 miles of roads in its charge; and it is a satisfactory sign of progress that funds have been placed at its disposal on an increasingly liberal scale in recent years, for it is the first Department to be called on for retrenchment when the finances are suffering. In 1906-07 the total Provincial and Imperial expenditure was over six crores of rupees or four millions sterling. Ten years before (a year of famine) the expenditure was a little under three crores, and the great development is no doubt directly due to the more liberal assignments which Local Governments now enjoy. The Budget for the coming year provides for an expenditure of a little over 6½ crores. A complaint is made by the Hon'ble Member for Burma of the insufficiency of funds for the development of his Province. The needs of Burma are no doubt great, but most Provinces would consider themselves fortunate if they could afford to spend 108 lakhs on Provincial public works as Burma proposes to do in 1907-08.

"The development of the country has recently been so rapid that there is no limit but that of finance to the work of the engineer. In the districts, better communications, which in some provinces are even now lamentably backward; everywhere, better buildings for schools and colleges, for medical relief, for the offices of every Department; in towns, improved water supply and drainage;—in every direction there are demands which must be met, and the meeting of which depends on the engineer.

"And similar remarks apply to the other Departments I have dealt with. They are all Departments of which the operations must greatly expand in the future; they are all hampered by the difficulty of obtaining a qualified and trustworthy staff; they are all closely bound up with the welfare of the country,

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and offer promising avenues of employment to its educated youth. In all cases, too, we are endeavouring to improve the opportunities for obtaining a higher training in the country itself; for making India as far as possible self-supporting; and the day must come when those who go through that higher training and prove their fitness in actual work, will find the higher posts opening to them in a more liberal measure than is now possible."

The Hon'ble SIR HARVEY ADAMSON said :—“ My Lord, the Hon'ble Mr. Apcar and the Hon'ble the Maharaja of Darbhanga have referred to the delay in bringing into operation the Calcutta Improvement Scheme. I confess that when a year ago I reported progress in this Council I hoped that things would move faster. But I can assure Hon'ble Members that the papers were not put in a pigeon-hole to be drawn out with a sigh a year later when further pressure was brought to bear. The fact is that the constitution of the Government of India does not admit of big schemes involving varied interests being carried through with great celerity. It takes some time to reconcile the various interests of the Departments of the Government of India and of the Local Government. Nor is this all. India is ruled from England, and when we have ourselves fully made up our minds as to the course which should be adopted in a costly and complicated measure such as the Calcutta Improvement Scheme, the whole matter has to be negotiated again with the Secretary of State before any action can be taken. We lost no time in putting our matured views before the Secretary of State, but under the circumstances delay is unavoidable, and it is not unreasonable in the case of a scheme which is calculated to cost over 800 lakhs of rupees, to involve a large amount of new taxation, and to require special legislation. A few days ago we received a communication from the Secretary of State, in which he reviewed our proposals and agreed with most of them. I do not propose to enter into a lengthy explanation today. I may mention, however, that the Secretary of State has consented under certain conditions to a recurring grant-in-aid of  $1\frac{1}{2}$  lakhs for sixty years in addition to the original contribution of 50 lakhs. The next step will be to prepare the legislative measure requisite for carrying out the scheme, and I am afraid that this will also have to be seen by the Secretary of State. I can make no promises. There is still much to be done before the spade can be put to the earth. But I can say this much that no delay has occurred during the past year or will occur which is unavoidable in view of the essential difficulty of the problem and the number of interests involved.

“ I propose to say a few words on a subject on which volumes have been written during the past few years—the separation of Judicial and Executive functions in India. In 1899 the Secretary of State forwarded to the Government of India a memorial signed by ten gentlemen, seven of whom had held high judicial office in India, in which the memorialists asked that a scheme might be prepared for the complete separation of Judicial and Executive functions. They based their condemnation of the existing system largely upon notes illustrating its alleged evils, which were compiled by Mr. Manomohan Ghose, a barrister in large criminal practice. The memorial was referred to Local Governments and to high judicial officers in India for report, with the result that an enormous mass of correspondence has accumulated. This correspondence disclosed a decided preponderance of opinion in favour of the existing system, but whether it was the weight of the papers or the weight of their contents that has so long deferred a decision of the question is more than I can say. The study of the correspondence has been a tedious and laborious process, but, having completed it, I am inclined to think that the consensus of opinion against a change may have been due in great measure to the faulty presentation by the memorialists of the case for separation, as well as to the obvious defects of the constructive proposals put forward by them, which were shown by the Government of Bengal to be likely to cost many lakhs of rupees in that province alone. The authors of the memorial, in my view, put their case very feebly when they rested it on a few grave judicial scandals which were alleged to have occurred from time to time. It was easy to show that many of these scandals could have occurred even if the functions had been separated. Many who have reported